

Time for a review, Connell tells Council

U of T's role, structures, strategy and priorities may be reassessed

In his report to Governing Council June 19 President George Connell said he continues to reflect upon the need for "a fundamental reevaluation of the role of the University, its structures, its strategy and its priorities."

Connell said he would like to arrive at an understanding of the willingness of the whole University to embark on such a process and will examine its feasibility over the summer.

The president also reported on progress towards the separation of the Royal Conservatory of Music from the University and the merger of the Ontario Institute for Studies in Education with U of T.

A Conservatory advisory committee is now in place to discuss the transition with University representatives.

Connell said he hoped the process would proceed as quickly as possible.

He told Council negotiations with OISE director Bernard Shapiro have resumed and although it is impossible to forecast the outcome of discussions, they may be well advanced before Shapiro leaves his post for an Ontario government position at the end of the month.

However, if rapid agreement is impossible, Ontario Treasurer Robert Nixon, who ordered the merger discussions last October, is willing to wait until December for a final report, Connell said.

In its final meeting of the academic year, Council dealt with a large number and variety of matters, including the approval of the salary

and benefits settlement for administrative staff. In 1986-87 staff will receive a three percent basic increase or \$700, whichever is greater. A revised merit grid will also be applied.

Council also:

- Approved the University's 1985-86 financial statement, showing a year-end deficit increase of \$1.8 million, compared to a \$484,000 increase in 1984-85. The University's cumulative deficit now stands at about \$3.4 million
- Approved guidelines for the disbursement of the remaining \$7.42 million of the University's \$11.4 million portion of the Excellence Fund. About \$4 million was committed in the 1986-87 budget
- Approved the establishment of the

Koffler Institute for Pharmacy Management. Private donors have raised \$3 million for the \$6 million institute. The remaining \$3 million will come from the University in the form of land and a \$2 million endowment. Administered within the Faculty of Pharmacy and located on Spadina Ave. just north of the Borden Building, the institute will provide continuing education for pharmacists as well as undergraduate and graduate instruction

• Approved a statement drafted by a committee chaired by Vice-Provost (health sciences) Charles Hollenberg endorsing the impending merger of Toronto General Hospital and Toronto Western Hospital. "The merger can be

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University of Toronto International Report 1985-86

UNIVERSITY OF TORONTO

Bulletin

No. 21 39th year

Monday, June 23, 1986

Staff salaries set for 1986-87

by George Cook

Governing Council has approved a 1986-87 basic salary increase for the University's 3,800 administrative staff of three percent or \$700, whichever is greater.

Approximately 1,600 employees will receive the \$700 increase, which, in percentage terms, means a basic increase of between 4.5 and 3.7 percent, depending on the salary range, for those earning \$21,550 a year or less.

In addition, the University will introduce a revised merit grid that will produce an 11.5 percent increase for staff members in the bottom quartile of the lowest salary range — those currently earning \$14,409 a year or less — whose job performance is deemed exceptional.

The revised merit grid allows for higher merit increases for those in the bottom half of their salary ranges whose performance is exceptional, but lower increases for those in the top quartile deemed very good or exceptional. The new grid will be included in the Manual on Staff Policies.

The new grid eliminates overlapping merit increases for those in the same salary range quartile with different merit ratings, said Bruce McDougall, assistant vice-president, personnel and central services, the University's chief representative in salary and benefits discussions with the University of Toronto Staff Association (UTSA).

While in the past an employee in the third quartile whose performance was rated very good could receive the same merit increase as one whose work was exceptional, this will no longer be possible, McDougall said.

Although the basic salary increase will be three percent, salary ranges will be increased four percent to ensure that University salary scales remain competitive with those in

Toronto and to provide for a possible one percent merit increase for those at the top of the salary range who would otherwise be ineligible for more than the basic increase, he said.

In response to a question at Governing Council, Vice-President (business affairs) Alec Pathy said University salary settlements with staff have exceeded inflation for some time. He said the administration believes increased staff productivity should continue to be rewarded through individual merit increases. In addition, other forms of recognition for exceptional performance are under consideration, he said.

Pathy told Governing Council approximately 80 percent of administrative staff receive a merit increase each year.

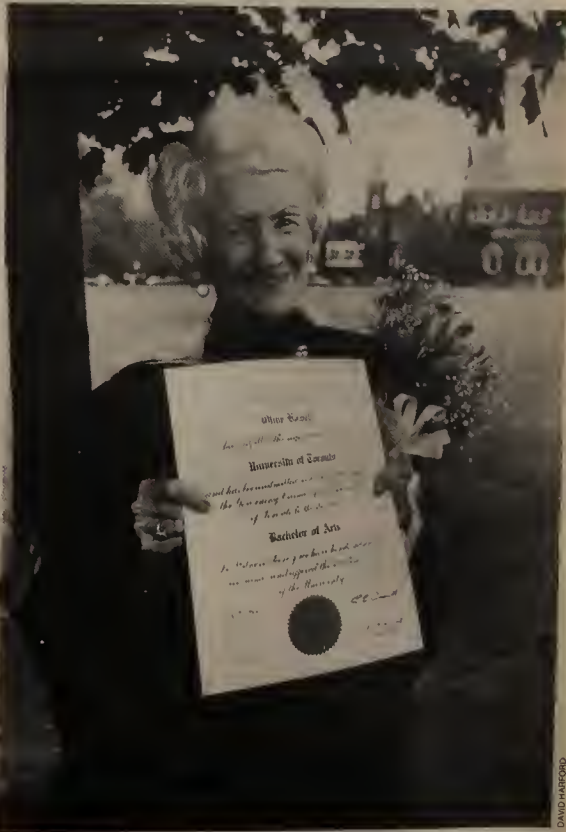
The University calculates that the pay increases will cost 5.46 percent of the administrative staff salary base (including 2.3 percent for merit increases, compared to 2.4 percent last year) and benefits about 0.22 percent for a total cost increase of about 5.7 percent. The cost of total compensation increases for administrative staff at other Ontario universities is about 5.75 percent this year and for those in industry in Toronto about 5 percent.

The increases take effect July 1 and will be included in the month's pay cheques.

The University has withdrawn a proposal to introduce an 80-point early retirement program and the possibility of retirement on the day of the employee's 65th birthday (rather than on the June 30 immediately following, as is now the case).

It has also withdrawn a proposal to reinstate the pensions of surviving spouses who remarried prior to July 1, 1984. The retirement proposals will be

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Scarborough grad

Olive Howell, an 87-year-old great grandmother, received a bachelor of arts degree at Scarborough College's convocation on June 10. Howell, who has been a part-time student of English for the past 10 years, is the oldest student ever to graduate from Scarborough and one of the oldest to graduate from U of T. While at U of T, she wrote a column for seniors in the North York and Scarborough Mirror newspapers. Her plans for the future? More writing.

Staff salaries

Continued from Page 1

referred to a new University staff association task force on pensions.

The University has agreed to provide 25 percent release time for the chair of the staff association's personnel policy committee to permit UTSA to participate in deliberations on personnel policy revisions. In addition, a working group will be established to study equal pay for work of equal value.

Unlike last year — when University and staff representatives agreed to a three percent basic increase or \$600 — this year the parties failed to arrive at a consensus on the salary increases and early retirement plan. In accordance with the protocol governing the discussions, UTSA submitted its reasons for non-acceptance of the University's proposals to President George Connell, who conveyed them to the June 19 Governing Council meeting.

In an interview, UTSA vice-president Rose Marie Harrop, who chairs the association's salary and benefits committee, said UTSA believes a three percent basic increase is insufficient given greater staff productivity and past increases that have fallen behind inflation. Harrop presented the UTSA position to Governing Council June 19.

"It's very clear from our productivity surveys that workloads have increased over time," Harrop said. "And we can't afford to fall behind inflation again."

UTSA had requested an 11.7 percent basic increase or \$2,808, whichever was greater. The amount included four percent for inflation, three percent for productivity and 4.7 percent to compensate for economic increases since 1982 that were lower than the rate of inflation.

Staff association president David Askew said the University's decision to raise salary ranges by four percent while providing only a three percent basic increase is a tacit admission that the market rate for administrative staff salaries has risen more than three percent.

"Raising the range is like giving with one hand and taking away with the other," Askew said. "It's an illusory increase."

He said the range increase permits supervisors to give in merit what should be part of the basic economic

increase accorded to all employees. "It makes a mockery of the merit system. You feel as though you're being rewarded for performance, but in fact you're not."

The range increase also causes employees who do not receive merit increases to lose standing in their range. Those who are awarded merit increases simply retain their position but do not improve it, he added. The range increase is part of a larger strategy to reduce the numbers of staff at the top of the salary range, he said.

UTSA considers the three percent real increase in pay, coupled with the four percent increase in ranges, "a major irritant". A basic increase closer to that of the cost of living would have been acceptable, Askew said.

In her presentation to Governing Council Harrop said UTSA believes changes in the merit grid should wait until the Performance Management Working Group — established by the Department of Personnel and Labour Relations to revise the performance appraisal system — makes its report.

Harrop said UTSA is pleased that early retirement and other pension questions have been referred to a task force for further study. While the association is in favour of the introduction of an early retirement plan, it believes there are alternatives to the University's proposal that may be of greater benefit to staff.

Askew said UTSA believes pension and benefit plans for staff should not be separated from those of faculty. In response to a question regarding separation of the plans, Vice-President Pathy told Governing Council the administration would prefer one plan for all employee groups, but must respond to different benefit requests from each group.

Under the proposal (since withdrawn), the University planned to use the interest on the investment of a \$14 million pension plan surplus. It also proposed to pay the continuing costs of pension improvements from the interest on an investment of a year's worth of University contributions to the pension plan. During the one-year period, staff would have been granted a pension contribution holiday.

Askew said that while UTSA favours early retirement with unreduced pension income it wants to examine a variety of ways to use the surplus: for example, improved indexation of pension benefits. Currently, benefits rise with the consumer price index, minus four percent, which this year may yield no real increase for recipients, he said.

UTSA also had reservations regarding the University's one-year contribution holiday proposal. Askew said such a holiday would have been of less advantage to employees with low salaries than to better paid employees because contributions are made on a flat percentage rate, not according to a progressive schedule.

This year's salary settlement follows a University decision not to enter into a Memorandum of Agreement with UTSA similar to the one governing collective bargaining with the faculty association. At a general meeting April 30 UTSA members voted to hire a full-time fieldworker to help generate support for a memorandum among non-members and others.

Askew said the association has drawn up a short list of candidates for the job and hopes to hire someone this week. Plans to survey the views of non-members will then proceed.

Young Inuit artists to enrol in Scarborough printmaking program

A small group of Inuit students will come south next fall to enrol in Scarborough College's new certificate program in printmaking.

Program supervisor Don Holman, a fine arts instructor at the college, says the study of printmaking will give the young artists an opportunity to refine their skills and increase their knowledge of techniques and styles.

The nature of Inuit art has changed with a new generation of artists: a realistic depiction of life in the north has begun to replace the traditional mythological motifs.

Thirty years ago, when a generation of Inuit were moved from the land to government settlements, they brought a store of myth and legend with them. Their children have grown up in a new, culturally disrupted environment.

"They're looking at a totally different world than the one their fathers and mothers knew. They're not doing as much with all the old myths and legends," Holman says.

Young artists will have to deal more directly with the society of the south — and its tastes in art — if they wish to develop a market for their kind of work, he said.

The first students will come from Cape Dorset, the Baffin Island community that has over the years produced many of the finest Inuit prints. Holman said he knows of five prospective applicants.

Entry to the program requires grade 13 graduation and presentation of a portfolio. Students must complete six full courses in printmaking, lithography and etching, all but one of which are currently offered at the college. The government of the Northwest Territories will pay the full cost of transportation, accommodation and tuition.

The availability of a program in a field in which many Inuit students are

already skilled and comfortable may ease the transition to university, says Holman. At present relatively few secondary schools in the North West Territories offer grade 13 and few native students go on to post-secondary education.

Printmaking will be the first certificate program offered on the Scarborough campus. It has been developed in consultation with Woodsworth College, which currently offers six certificate programs.

Farber honoured for research

Emmanuel Farber, professor of pathology and biochemistry, has been selected to receive the 1986 Eastman Kodak Award of the National Academy of Clinical Biochemistry. The award, in recognition of his original research contributions to the field of chemical carcinogenesis, will be presented at the annual meeting in July in Chicago, in association with a lecture at a symposium on the "Biochemistry and Biology of Cancer".

Farber also has been selected to present the William Boyd Lecture at the annual meeting of the Canadian Association of Pathologists in Kingston this month. The lecture commemorates Professor William Boyd, who was professor and chairman of the Department of Pathology at U of T from 1936 to 1952.

Governing Council

Continued from Page 1

expected to strengthen the residency programs by producing even more sophisticated specialty and sub-specialty programs in the merged hospitals," the statement says. It also says the hospitals' research programs will receive a higher priority after the merger. "The University recognizes that the impending merger has the potential for greatly strengthening academic programs not only in these institutions but elsewhere in the teaching hospital system and the University," it concludes.

- Approved the establishment of three professorships and one chair: the Patricia C. Ellison endowed professorship in marketing in the Faculty of Management Studies; the Welding Institute of Canada/NSERC professorship in welding engineering and the J. Roy Cockburn professorship, both in the Faculty of Applied Science & Engineering; and the Biles chair in medical research in the Faculty of Medicine.
- Approved a bylaw amendment to permit a reduction in the number of Council meetings to seven from ten. The reduction will allow Council to consider all matters referred to it by prior committee meetings and to avoid meeting during less active times of the year. Should additional meetings be

required they can be scheduled without a bylaw amendment.

- Approved a \$10 increase in the Graduate Students' Union incidental fee, the incorporation of the Scarborough Campus Students' Council and the establishment of a student common room in the Galbraith Building named for Vince Volpe, who was particularly active in Engineering Society affairs before his death in a car accident shortly after graduation.
- Approved the 1986-87 Governing Council committee and standing sub-committee membership. Committee chairmen are: academic affairs, Professor William Callahan; business affairs, Gerald Townsend; campus and community affairs, Jeanne Uyede; and planning and resources, Dr. William Francombe.

Council also set membership of the committee for honorary degrees, amended the terms of reference for the academic appeals board to ease its quorum requirements, established a judicial board to hear cases of alleged forgery or falsification of U of T diplomas and other documents and conferred summer signing authority on the president and several other members of the administration.

Breton awarded honorary degree from Manitoba

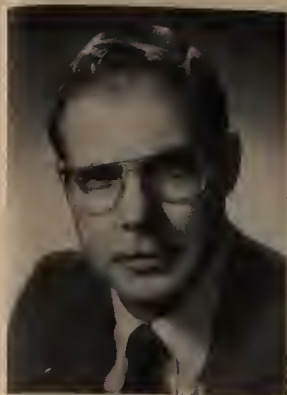
Professor of economics Albert Breton received an honorary degree from the University of Manitoba at its spring Convocation.

Breton, born in Saskatchewan, graduated from St. Boniface College in 1951, received his PhD from Columbia University, and joined the U of T in 1970.

A much sought after government adviser, he has served on the Macdonald Commission on the economy and the Applebaum/Hebert inquiry into cultural policy and has been a consultant to the cities of New York and Washington on social economic policy.

Breton, a member of the political economics section of the C.D. Howe Institute, was elected a fellow of the Royal Society of Canada in 1976 and in 1984 was made an officer of the Order of Canada.

Imperial Oil provides special adviser to U of T



Robert Burnside

Robert A. Burnside, vice-president for corporate business development and technology with Imperial Oil Ltd., will become special adviser to President George Connell for an 18-month period beginning Sept. 1.

Connell said Burnside will advise him on a broad range of issues in university-industry relations, including the upcoming corporate fundraising campaign and the implementation of plans, recently announced by the federal government, to develop a system of matching public and private sector grants for university research.

The president said that while he can call on many people in the public and private sectors for advice on a regular basis, this is the first time a corporation has provided a full-time adviser to the University.

"When Imperial decided to make a contribution to U of T, it asked us how we'd like to have Bob Burnside work for us for a year and a half and it didn't take us long to say yes," Connell said.

During his secondment, Burnside (whose salary will be paid by Imperial Oil) will have an office on campus, although its exact location has yet to be determined. He said that while he has never before acted in an advisory capacity to a university president, his experience of technology transfer, strategic corporate planning, fundraising (at Queen's) and corporate diversification and development should be an asset to the University.

"This is a concrete demonstration of the commitment of the private sector and the university sector to help each other," he said, "and an example of the increased collaboration between the universities and industry."

While corporate and university cultures differ, he added, both kinds of institution benefit by the cross-fertilization of ideas and approaches that occurs when they work together. He said his secondment to U of T is consistent with the goals outlined by the Corporate Higher Education Forum, the 55-member association of academic and corporate leaders

established in 1983 to facilitate communication between the two sectors.

As the vice-president responsible for finding new fields of activity for his company, Burnside guided the recent establishment of Pinpoint Retail Systems, an Imperial electronics subsidiary. He has also managed the company's chemical operations and the development of new technology.

Burnside graduated from Queen's University in 1956 with a BSc in chemical engineering and went to work for Imperial Oil in Sarnia. Over the years he rose through the ranks and now heads the division responsible for corporate diversification and sits on the boards of directors of Imperial's Montreal and Portland, Maine, crude oil pipeline companies.

He said his long association with Queen's has made him keenly aware of the problems facing Ontario universities. In October he becomes president of the Queen's Alumni Association and next winter chairman of its engineering advisory council. He said his Queen's commitments will take no more than 15 percent of his time and the rest will be dedicated to U of T.

Animal facilities at 1 Spadina must be upgraded, says CCAC

by Patrick Donohue

The Canadian Council on Animal Care (CCAC) has recommended that U of T upgrade the facilities for research animals at 1 Spadina Crescent by September or close them down.

Closure would cause the "near decimation" of a valuable colony of research animals, says Professor David Mock, chair of the University's Animal Care Committee.

Although two recent CCAC reports have praised U of T's excellent facilities for research animals elsewhere on campus, the Spadina Crescent premises are an exception.

It's not that the animals there are suffering, Mock points out. In fact, provincial inspectors have said the facilities meet the legal standards.

Rather, it's a question of turning part of the antiquated building into a modern research facility with an antiseptic environment. New floors and ceilings are called for, with tiles and concrete replacing all porous or cracked materials. Ventilation and air conditioning will have to be improved. Sequences of light and dark will have to be controlled.

"We're not just talking about wallpaper," Mock says. Changes will likely cost at least half a million dollars, Mock estimates, and maybe up to a million. "We're more than willing

to do it," he says, "but who is going to pay?"

The question is complicated by the fact that the Departments of Ophthalmology (in the Faculty of Medicine) and Psychology house research animals in different parts of the building, with each department responsible only for its own animals. If there is to be a new facility to house all the animals, the question of responsibility for costs will have to be resolved.

If the renovations cost no more than half a million dollars, medicine and psychology could probably come up with the money jointly, Mock says. But if more money is required, the University may have to look for external funding.

Though the plan that the University has developed to improve the animal facilities is not an attempt to accommodate animal liberation groups, the harassment of some researchers has meant that money will have to be spent on security that would otherwise have been put into improvements.

Mock says the CCAC approves of the University's renovation plans as outlined to date. If the University can demonstrate that it can fund the changes and intends to follow through on them, the CCAC will probably extend the deadline for completion.

That doesn't mean the CCAC threat should be taken lightly. In the past, the CCAC forced the University to close down an unsatisfactory animal facility on 24 hours' notice.

Such pressure from the CCAC doesn't have the force of law, Mock explains. But the CCAC reports to such funding bodies as the Medical Research Council and the Natural Sciences & Engineering Research Council. If they heard that U of T facilities were substandard, funding for research involving the animals could be cut off.

But Mock insists that it's not just the funding issue that motivates the University to improve the facilities. The University's own moral and ethical values are the primary considerations. "We have to satisfy ourselves that we are doing what is right, that the animals are properly cared for and that the facilities are good," he says.



Moving house

Construction crews moved Bancroft Hall at the corner of Bancroft and Huron, former home of the psychiatric service, last Friday. Tracks were laid to slide the house west about 90 feet to the wall of the former textbook store, where the house will face a courtyard in the planned Natural Resources Centre. Designated as historically significant, the house is considered a fine example of the Romanesque style of architecture popular at the time of its construction, 1891. Bill Greer, architect with the Toronto Historical Board, says its extensive stone carving could have been done by the artisans who worked on the old City Hall, built at about the same time.



PHOTO: STEVE BEHAL

Report of presidential task force on foreign students

The Presidential Task Force on Foreign Students, chaired by Professor Milton Israel, has issued its report, representing two years of discussion and analyses. Copies of the June 11 report are available on request from the Office of the President (978-4163) or the Office of the Assistant Vice-President (Planning) and Registrar (978-5467).

It is expected that the report and an administrative response will be reviewed by Governing Council committees in the fall.

The task force was commissioned following discussions of the Academic Affairs Committee and the Subcommittee on Admissions & Awards in the spring and fall of 1983.

Personnel News

Seminars for staff training and development

Career and life planning (two-day)

Exploring career and life goals for those staff who are seriously interested in career development.

July 30, and August 1, 1986
Registration is now open through Elaine Preston, 978-6496.

Dental Plan

Effective July 1, 1986 the University's dental plan will reimburse eligible expenses based on the 1985 Ontario Dental Association Fee Guide rather than the 1984 guide.

The University continues to provide 80 percent of the total cost. Since premiums are paid one month in advance, the new rates to cover the increased cost will be reflected in the June pay. The revised monthly rates for full-time appointed staff members are described in the table below.

This is an increase of 22 cents per month for single coverage and 50 cents per month for family coverage.

Part-time staff holding appointments of 25 percent or more will continue to be eligible for a prorated subsidy in accordance with the percentage of appointment.

Coverage	University	Staff Member	Total
Single	\$15.57	\$3.89	\$19.46
Family	\$34.86	\$8.72	\$43.58

If there are any questions concerning the Dental Care Plan, please contact Benefits Administration (Department of Personnel & Labour Relations) at 978-2015.

New pension agreement with Ontario Hospital Association

Following more than a year of negotiation, the University of Toronto and the Ontario Hospital Association signed, on May 29, a reciprocal transfer agreement for pensions.

This agreement will allow some or all of an employee's pensionable service credit accrued in the University of Toronto Pension Plan to be transferred to any Ontario hospital or medical institution participating in the Hospitals of Ontario Pension Plan (HOOPP) and vice versa.

To be eligible, an employee must terminate employment at one participating employer, become employed with the other participating employer within six months of the previous termination, and have pension credits which have not been settled. For further details, please contact benefits administration at 978-2158.

Below is a partial list of job openings at the University. The complete list is on staff bulletin boards. To apply for a position, submit a written application to the Personnel Department.

(1) Sylvia Holland; (2) Steve Dyce; (3) Varujan Ghahghahian; (4) Christine Marchese; (5) Maureen Brown; (6) Mirella Taiariol; (7) Lisa Rafitis.

Administrative Assistant I
(\$19,450 - 22,880 - 26,310)
Surgery (1)

Clerk Typist II
(\$14,510 - 17,070 - 19,630)
Physical & Health Education (6)

Laboratory Technician III
(\$21,480 - 25,270 - 29,060)
Banting & Best Medical Research (7) Medical Genetics (7)

Professional Engineering Officer I
(\$26,440 - 31,110 - 35,780)
Biomedical Engineering (7)

Professional Engineering Officer II
(\$32,610 - 38,360 - 44,110)
Computing Services (3)

Secretary I
(\$15,930 - 18,740 - 21,550)
Graduate Studies (1),
Ophthalmology, 60 percent full-time (1), Academic Statistics (1), Medicine (1)

Secretary II
(\$17,470 - 20,550 - 23,630)
Research Administration (1)

Secretary III
(\$19,450 - 22,880 - 26,310)
Research Administration (1),
Speech Pathology (1)

Appointments

Beck appointed Erindale vice-principal (academic)



Professor Roger L. Beck, associate dean of humanities and part-time studies at Erindale College, has been appointed vice-principal (academic), effective July 1, 1986 to June 30, 1988.

Professor Beck, who joined the faculty at Erindale in 1968 as an assistant professor of classics, studied at Oxford (BA) and the University of Illinois (AM, PhD). He is currently writing a book on his main area of research, Mithraism, a religious cult of the Roman Empire in the second and third centuries AD.

Beck is the associate editor of *Phoenix*, the journal of the Classical Association of Canada. He has been acting associate director of the graduate Centre for Religious Studies and has served two terms on Governing Council as a representative for the Erindale-Scarborough teaching staff constituency. He was chairman of the Academic Affairs Committee in 1980-81.

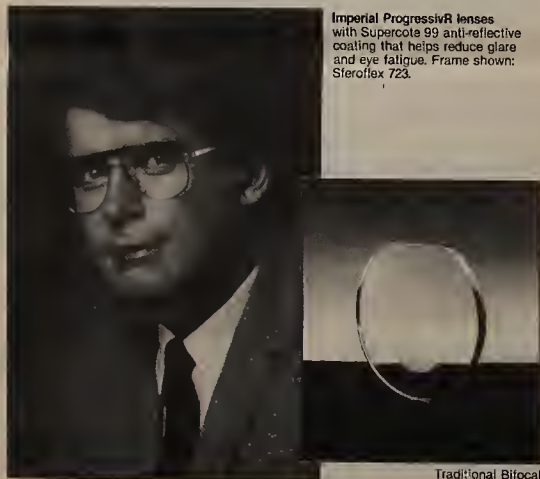
Charles new vice-dean, engineering

Professor Michael E. Charles has been appointed to the new position of vice-dean, Faculty of Applied Science & Engineering, for a five-year term beginning July 1, 1986. His primary responsibility will be to strengthen and further develop collaboration between the faculty and industry.

Professor Charles joined the faculty in 1964, after periods with Alberta Research and Imperial Oil Ltd. His research has focused on applications of fluid mechanics and heat transfer to industrial processes, especially those involving natural resource utilization, for which he received the ERCO Award of the Canadian Society of Chemical Engineering in 1976. He has served as chairman of the Department of Chemical Engineering & Applied Chemistry (1975-85), chairman of the South-West Campus Redevelopment Task Force (1977-78), a member of the Research Board (1975-84), and last year as a member of the Research Agreements Task Force. Professor



Charles has been retained widely as a consultant by Canadian industry, and represents the University of Toronto in the Canadian Research Management Association.



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2. A gentle power increase into the progressive zone.
3. A short but wide progressive power corridor.
4. Lateral distortion reduced to horizontal axis astigmatism.
5. A large stabilized reading area.

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IMPERIAL
OPTICAL
CANADA

Carillonners on tour

University carillonneur Sydney Shep embarks on a North American tour June 25 with a transportable carillon from the Olsen Nauen bell foundry of Tonsberg, Norway. Shep will be joined on tour by New Zealand's national carillonneur Timothy Hurd, who designed the transportable instrument.

Toronto audiences have a chance to hear Shep and Hurd in concert at the University July 13 and at the Harbourfront Jazz Festival July 12. In their University concert they will perform separately and together using the Olsen Nauen and Soldiers' Tower carillons.

The transportable instrument is made up of 52 bells of various sizes mounted on a steel frame carried on a flat-bed truck. The largest of the bells weighs 2,310 lbs., the smallest 26.5 lbs. Steel cables connect the bell clappers to the manual keys and pedals of the clavier, an adapted keyboard similar to that of an organ.

The North American tour begins in

New York City and ends Aug. 11 in St. John, NB. In the intervening month and a half Shep and Hurd will visit towns, cities and universities in Ohio, New York, Michigan, Vermont, Maine and Connecticut. Canadian stops include Ottawa, Toronto, Fredericton and St. John.

Shep, a doctoral candidate in renaissance drama at Johns Hopkins University, is a graduate of Victoria College. She began to learn the carillon while at U of T, where she studied with Andrea McCrady. She later attended master classes in Denmark.

The carillon originated in Belgium in 1480 and is used in both civil and religious ceremonies in much of Europe. Of Canada's 11 carillons, U of T's is the only university instrument. It is used for regular concerts at convocations and during the summer and is also available for special alumni events and weddings in the University chapels.

Library privileges suspended in aftermath of Babb visit

The decision of an investigating committee to temporarily suspend a South African student's privileges at Robarts Library was taken after a careful investigation and was based solely on the student's behaviour toward some staff members, Vice-Provost Brian Merrilees said in a recent interview.

Merrilees said allegations made by a Toronto newspaper of University harassment of the student for his political opinions had no basis in fact.

The suspension attracted public attention two weeks ago when *The Toronto Sun* reported that the student's privileges had been permanently revoked "apparently over his views on apartheid."

The president and vice-president of CUPE local 1230, which represents about 700 library employees, have denied accusations of political harassment of the student by staff and said Peter Worthington, who commented on the decision in a column in the *Financial Post*, made no attempt to solicit their view of events.

"The union categorically denies that any patron of the Robarts Library has ever been discriminated against by virtue of their political views," Tom Bribrisco, vice-president of Local 1230, said in a news release.

"If [the student] ceases his threatening behaviour toward staff members and goes about his business as other patrons do, he will no longer be a concern of the union," he said.

In the wake of the incident, Merrilees, Mary Roddy, president of Local 1230, and library officials have all expressed continued support for the development of policies and procedures on staff security.

Personnel librarian Kay Marie Mackenzie said a nine-member ad hoc task force has developed such a policy

and is now working on procedures for staff to follow when faced with abusive patrons. The Library Advisory Council, made up of representatives from all employee groups, accepted the proposed policy May 15 and will consider the recommended procedures by the end of July, Mackenzie said.

The incidents that led to the suspension of library privileges were synthesized by the U of T Department of Public & Community Relations in a news release issued on June 10, the day of the *Sun* story.

They go back to Jan. 31, the day South Africa's ambassador to Canada, Glenn Babb, visited the campus to take part in a debate at the Faculty of Law. Following Babb's appearance, a Trinity College undergraduate, Vusi Buthelezi, nephew of Mangosuthu Buthelezi, the leader of South Africa's Zulu tribe, became involved in a heated discussion outside Flavelle House. The dispute apparently concerned his uncle's cooperative attitude to the white regime in Pretoria.

Subsequently, Buthelezi met a Robarts Library staff member in the library and a confrontation ensued. The student sent a letter to the acting chief librarian Feb. 5 objecting to the staff member's behaviour.

Following an inquiry by library management, Buthelezi's privileges were withdrawn for a week (March 10-17) and the employee was suspended for a day without pay. CUPE Local 1230 has launched a grievance on the employee's behalf.

When Buthelezi's one-week suspension ended, altercations between the student and staff members at work in the library continued. A second inquiry was launched and the library decided to deny Buthelezi access to the library from May 26 to Aug. 31.



STEVE BISHAL

Frye Hall sculpture

While the portrait in the Pratt Library has him floating on a cloud, a new bust of Northrop Frye at Victoria College "solidly anchors" him at Vic, says French professor Laure Riese. She spoke at a ceremony to unveil the bust, held during spring reunion weekend earlier this month. The sculpture, by Hanna Boos of Guelph, is located in the lobby of Northrop Frye Hall.

Sid Smith to be prototype for smoking policy

The Office of Occupational Health & Safety is working on a smoking policy for the University in conjunction with the office of the dean of arts and science with the intention of using Sidney Smith Hall as a prototype for the rest of the University. "The top administrators are for it — there's no doubt about that," says Chris McNeill, manager of the Office of Occupational Health & Safety.

On May 1, the Life Sciences division at Scarborough Campus became a smoke-free area. Chair Joan Grusec declared space occupied by her division at Scarborough a non-smoking area after surveying faculty, staff and graduate students. Smoking has never been permitted in laboratories, lecture halls or classrooms there, but the ban applies to the lounge, the secretaries' quarters, Grusec's office and the corridors on the fourth and fifth floors of the S wing.

Of 600 occupants of Sidney Smith surveyed, 302 returned questionnaires to the dean's office. Though 45 of these were smokers, several said they'd support a plan to restrict smoking in the building. Of the 257 non-smokers responding, 227 were in favour of a plan restricting smoking to specially designated and ventilated areas.

Parts of Simcoe Hall and Sidney Smith Hall already have restrictions on smoking in some areas. Because Jack Dimond and other members of the Governing Council secretariat have allergies, smoking has been banned in their offices for four years. "It would really affect the quality of work around here," says Dimond. Since Robin Armstrong, who is allergic to cigarette smoke, took over the dean's office at Sidney Smith in 1982, smoking has been banned there. Governing Council and its committees became smoke-free zones last fall.

Nominations invited for arts and science search committee

Professor Robin Armstrong's term as dean of the Faculty of Arts & Science comes to an end on June 30, 1987. Provost Joan Foley has been designated by the president to serve as chairman of the search committee for a new dean. The provost is now calling for nominations for members to serve on the committee and asks that they be sent to her at room 225, Simcoe Hall.

HartHouse food services

1986 SUMMER HOURS

Great Hall

- Regular Luncheon Service until August 8
- Luncheon Service resumes September 2
- Dinner Service resumes September 8

Arbor Room

OPEN ALL YEAR

Arbor Room hours may be adjusted according to business levels.

Summer Hours May 12 - August 15
Monday - Wednesday 8:00 a.m. - 7:00 p.m.
Thursday 8:00 a.m. - 11:30 p.m.
Friday 8:00 a.m. - 4:00 p.m.
Note: After June 26, the evening Thursday hours will transfer to the Quad

Starting August 18 - August 29
Monday - Friday 8:00 a.m. - 4:00 p.m.

Starting September 2 - September 5
Monday - Friday 8:00 a.m. - 7:00 p.m.

Starting September 8 Regular Hours resume
Monday - Friday 8:00 a.m. - 11:30 p.m.
Saturday - Sunday 11:00 a.m. - 5:00 p.m.

Gallery Club

- Regular Luncheon Service until August 8
- Luncheon Service resumes September 2
- Dinner Service resumes September 8

CALL 978-2444 for reservations!

Tuck Shop

OPEN Monday - Friday 8:30 a.m. - 5:00 p.m.
CLOSED July 4 - August 8

Hart Beat

Starting in the Quadrangle — weather permitting

Tuesdays: June 24 - Aug. 12, 7:00 - 11:30 p.m.

Wednesdays: June 25 - Aug. 13, 7:00 - 11:30 p.m.

Thursdays: June 26 - Aug. 14, 7:00 - 11:30 p.m.

WATCH FOR FLYERS!

Hart House is available for private and University functions. For information call 978-2449.

HART HOUSE FOOD SERVICES will be closed on public and University holidays.

RESEARCH NEWS

For further information and application forms for any of the following agencies, please contact ORA at 978-2163.

Canadian Electrical Association

The CEA invites the submission of research proposals on the following:

1. Review of industrial heat pump installations in Canada.

The closing for receipt of proposal 1 is 4 p.m., Thursday, July 31, at the association.

2. Simplified rules for grounding customer-owned high voltage substations.
3. Interconnection of grounds between stations and plants.

The closing for receipt of proposals 2 and 3 is 4 p.m., Thursday, August 14, at the association.

Health & Welfare Canada (NHRDP)

Special Competition — AIDS Research

In conjunction with Health & Welfare Canada's announcement of a new five-year program of research and other activities associated with AIDS, funds are being made available for research associated with HTLV-III and related virus infection.

Researchers are invited to submit a concise outline (approximately three pages) by June 30 for a proposal on AIDS research. For this special competition only, the National Health Research & Development Program (NHRDP) will consider

biomedical and clinical research proposals in addition to public health and health services research proposals.

These outlines will be considered by a panel of advisers to the National AIDS Centre. The panel will select projects for which a full proposal will be requested from the researcher. Researchers may expect to receive notice of the outcome of first-round consideration within 30 days. Please note that this is not a call for full proposals at this time.

Interested investigators are asked to note the following qualifications:

- NHRDP is interested in fostering innovative research and projects of special relevance to the Canadian context;
- collaboration among investigators will be encouraged, whether across disciplines or among research centres;
- researchers whose proposals require the availability of virus isolation capability must demonstrate the feasibility of securing such capability, or an estimate of the costs necessary to upgrade existing facilities;
- in matters of particular complexity or difficulty, feasibility studies or other preliminary studies will be considered.

The areas in which research is encouraged are:

- modes, patterns, practices and utilization of health and social services for persons with HTLV-III infection, for using either community-based or hospital-based services;
- public health strategies;
- the etiological and epidemiological aspects of HTLV-III and related virus infection;
- diagnostic and therapeutic modalities;
- occupational health and safety issues;
- psycho-social and behavioural aspects;
- studies contributing to an understanding of the ethics and public policies applicable to AIDS.

National AIDS Centre — Drug Trial

Clinical investigators interested in participating in a therapeutic trial of Azidothymidine with patients with clinical manifestation of HTLV-III/LAV infection are invited to contact the National AIDS Centre in Ottawa.

Further details may be obtained from ORA.

Health Management Research Special Competition

A special competition to support research initiatives in the area of health services management and health care policy has been announced by NHRDP. Preliminary letters

of intent are sought from investigators who propose projects in the following areas:

- cost effective models for health care delivery;
- technology assessment, efficacy and use;
- linkages between health and social services;
- needs implied by the Canadian response to the WHO goal of health for all by the year 2000;
- program evaluation and quality assurance;
- incentives to promote efficiency;
- financing of health care systems;
- health status indicators to facilitate the evaluation of the impact of health care models;
- quantitative and qualitative indicators of health care;
- factors which influence the utilization of health services.

A committee will examine the preliminary letters of intent and will recommend submission of a full research proposal for those projects which meet the aims of the competition.

Investigators are advised that the usual University signature requirements and planning and resources conditions are in effect for this competition.

The deadline date for letters of intent is July 16. Please note that this is not a call for full proposals at this time. Further information and guidelines are available from ORA.

Social Sciences & Humanities Research Council

ORA has been informed that the major research grants July 1 competition has been cancelled. SSHRC will reschedule the competition for later in 1986. Investigators will be informed of the new deadline as soon as this is known.

Upcoming Deadline Dates

Alberta Heritage Foundation — medical research fellowships tenable at Alberta universities; conferences held in Alberta: July 1.

American Council of Learned Societies — travel grants to international meetings (Nov.-Feb.)

American citizens or permanent residents only: July 1. Canada Council — Killam research fellowships and I.W. Killam memorial prize: June 30.

Canadian Diabetes Association — research grants: July 15. Canadian Nurses Foundation — small research grants: July 31.

Cummings Foundation — investigators in faculties other than medicine, deadline at ORA: July 15. Damon Runyon-Walter Winchell Cancer Fund — fellowships: August 15.

Deafness Research Foundation (US) — research grants (renewals): August 15. Health & Welfare Canada (NHRDP) — AIDS research special competition, preliminary proposals: June 30.

Health management research special competition, letters of intent: July 16; post-doctoral fellowships, national health research scholarships, national health scientists, visiting scientists: July 31.

Hospital for Sick Children Foundation — research grants, travel (speakers), conferences and seminars, publications grants: July 1.

International Union Against Cancer — Yamaguchi Yoshida memorial international cancer study grants (sabbatical): June 30.

Leukemia Society of America — president's research development award, short term scientific awards: July 1.

March of Dimes (US) — clinical research grants: August 1.

Medical Research Council — major equipment, new operating and maintenance, renewal on term, development (cat. 1), biotechnology development, MRC scholarships: August 1.

National Institutes of Health (US) — competing continuation, supplemental research grants: July 1.

National Multiple Sclerosis Society (US) — research grants: August 1.

Paralyzed Veterans of America — research proposals: July 1.

Physicians' Services Inc. Foundation — research grants: July 7.

Rockefeller Foundation — women's status and fertility research grants: July 1.

SSHRC, Research Communications Division — aid to occasional scholarly conferences in Canada (Oct.-Feb.): June 30.

International Relations Division — travel grants for international conferences (Oct.-Jan.), international congresses in Canada: July 1.

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Positions Elsewhere

Notice of the following vacancies outside the University have been received by the Office of the President.

Saskatchewan Health Provincial Epidemiologist Headquartered in Regina

On reply, please quote Competition No. PEH-6-D1 to: Jim Graham, manager, Management Staffing, Saskatchewan Public Service Commission, 3211 Albert Street, Regina, Sask., S4S 5W6

University of California Vice-President — Agriculture and Natural Resources

Effective October 1, 1986. Applications and nominations by June 30, 1986. Contact: The President's Office, 714 University Hall — VPANR, University of California, Berkeley, Calif. 94720.



The Faculty Club

41 Willcocks Street
Telephone: 978-6325



LUNCH
IN
JULY

Oak & Beaver Pub & Patio
Pub grub and draught beer

Main Dining Room
Featuring the Soup & Salad Bar Special

Upper Dining Room
Casual eating in charming surroundings



University of Toronto Combined Financial Statements April 30, 1986

REPORT OF THE VICE-PRESIDENT, BUSINESS AFFAIRS

FINANCIAL HIGHLIGHTS

The 1985-86 fiscal year was a year of continuing financial pressure for the University — pressure that has been increasing each year. As a consequence of this, the University is struggling to meet program commitments with inadequate resources.

CURRENT OPERATING FUND

The University ended the 1985-86 fiscal year with a net increase in the deficit of \$1.8 million after provision for commitments and transfers, thereby increasing the cumulative deficit to \$3.3 million.

The operating fund income increased by \$13.0 million to \$368.5 million in 1985-86 while expenditures increased by \$18.9 million to \$372.0 million. Table I shows relative source and distribution of the Current Operating Fund for the past five years.

Enrolment for 1985-86 totalled 43,363 full-time student equivalents representing a shortfall against budget of 2.1% and a decrease of 1.9% from the previous year. This enrolment variance may be attributed primarily to declining retention rates and a reduction in average course loads. For 1986-87 it is planned that enrolment will be maintained at levels similar to those originally planned for 1985-86. This will result in an increase in actual enrolment of approximately 550 full-time student equivalents. Table II illustrates the changes in enrolment over the past five years.

The special deficit related to the discontinued operation of UTLAS has been reduced by a fee payment based upon UTLAS' library automation revenue of \$327,000.

ANCILLARY OPERATIONS

In aggregate, total income from Ancillary Operations amounted to \$50.5 million. This represents an increase of \$3.5 million over that of the previous year.

During recent years, the University of Toronto Press has expanded its operations considerably. In order to recognize this organizational growth, a University of Toronto Press Management Advisory Board was established with representation from the business community to which the Director of the Press will report. Except for matters which require approval or other action by the Governing Council or by the President, the Board shall function in the same manner as a Board of Directors of a business corporation and shall have responsibility for all matters concerning the management and administration of the operations of the Press.

The Scholarly Publishing Division of the Press, notwithstanding support by way of government grants for this purpose, remains unable to finance the net cost of its programs without the benefit of additional financial support. Accordingly, Governing Council approved the establishment of an endowment, the income from which will support the scholarly publishing program of the University of Toronto Press.

Erindale College is constructing 140 additional residence places which will be completed by the Fall of 1986, at an estimated cost of \$2.7 million.

CAPITAL FUNDS

The largest capital project in progress at this time is the Natural Resources Centre, estimated to cost \$46.1 million and scheduled for completion in 1988. Design is well advanced and at the time of writing, construction is about to commence.

Since last year, three major capital projects have been completed; the Faculty of Dentistry Building addition and renovation; the Koffler Students Services Centre Renovation; and the Varsity Arena Renovation. These three projects have an aggregate value in excess of \$30 million.

Provincial capital grants received from the Ministry of Colleges and Universities during 1985-86 amounted to \$3.3 million.

With respect to new projects, the Province has announced plans to partially fund a new Soil Erosion Research Building at Scarborough College and an expansion-renovation of the Faculty of Law Library. The total cost of the two projects is estimated at \$7.1 million of which the province has agreed to fund \$5.5 million. With respect to regular capital grants, there are now signs of some flexibility in allowing institutions to follow their own priorities in regard to repairs and renovations.

Capital trust funds at April 30, 1986 totalled \$21.0 million of which \$18.3 million were for specific projects and the balance of \$2.7 million represented the General Building Fund to be used for the following purposes:

- i) to finance projects that are only partially funded by the government;
- ii) to finance those projects for which government support is unlikely at current funding levels;
- iii) to provide bridge financing for projects which must proceed urgently and for which government funding is likely to be received at a later date;
- iv) to finance the academic early retirement program approved by the Governing Council in 1983.

RESTRICTED FUNDS

The income components of Restricted Funds consist of government research grants of \$65.8 million, non-government grants including research of \$27.9 million, contract research of \$9.8 million, donations of \$13.2 million, and investment income of \$15.7 million.

During the year the total return (income plus capital appreciation) on the Endowment Funds Investment Pool and the Connaught Fund was slightly below the average performance for similar funds. A new policy is being considered to protect, as far as possible, the purchasing power of these funds.

COMBINED OPERATIONS

The combined income of the University for all funds amounted to \$584.2 million, an increase of 6.1% over that of the previous year. Expenditures, on a combined basis totalled \$560.4 million, an increase of 6.6% over the previous year. The source and distribution of the University's combined funds for the 1985-86 fiscal year is shown in the pie chart on Table III.

PENSION PLAN

The Actuarial Valuation Report as of July 1, 1985 reflects a surplus of \$79.7 million, which is reduced to \$77.2 million after adjustments relating to the withdrawal of the Royal Ontario Museum (ROM) and UTLAS, consequent to the setting up of their own separate pension plans.

The adjustment relating to the ROM which amounted to \$1.6 million with interest, has been set up as part of the University's general endowment fund in Restricted Funds. Interest earned on the general endowment fund provides additional Current Operating Fund income each year.

The adjustment relating to the withdrawal of UTLAS which amounted to \$860,000 with interest, has served to reduce the deficit of the discontinued ancillary, which arose on the sale of UTLAS last year.

Both of these adjustments arose as a consequence of specific agreements with the two parties concerned. The funds were withdrawn from the University Pension Plan subsequent to the July 1, 1985 valuation date, by offset against current contributions.

FUTURE PROSPECTS

1. The Minister of Colleges and Universities has announced an increase in funding for the Ontario university system of 4% for both 1986-87 and 1987-88. Student fees will increase by the same percentage in 1986-87. There has been no announcement about fees for 1987-88.

Salary and benefit negotiations with faculty and staff have not as yet been finalized for 1986-87. The University's 1986-87 Current Operating Budget projects a net excess of expenditures over income of \$0.7 million which would increase the cumulative deficit at April 30, 1987 to \$4.0 million. In order to achieve a substantially balanced budget for 1986-87 after provision for 1986-87 salary increases, it has been necessary to reduce the current level of operating expenditures by approximately \$6.7 million or 1.8%.

2. In addition to the regular operating grant the Government has announced a \$50 million University Excellence Fund for 1986-87, of which the University of Toronto is expected to receive \$11.4 million or 23% which will be used to supplement the operating budget. Of this amount, \$2.0 million will be allocated for faculty renewal; \$4.3 million for research facilities, equipment, and specialized support staff; and \$5.1 million for library and instructional equipment. There is no indication at the present time as to whether this type of funding for research, and library and instructional equipment will be extended beyond 1986-87.

The faculty renewal component will be continued for four years beginning in 1987-88, but the University's allocation from that component will be determined as a formula entitlement only for 1986-87. Beginning in 1987-88, grants for faculty renewal will be based on submissions made by each university.

3. Also by way of a special grant the government recently agreed to provide \$10 million towards the acquisition of a supercomputer facility at the University of Toronto. This will assist the University to achieve its objective of developing world-class research facilities and will also contribute significantly to areas such as graduate studies and research throughout the Ontario university system.

It will also provide an opportunity for additional contractual relations between the University and industry, both through sales of supercomputer time to industry and through additional research contracts that will make use of the supercomputer facility. The supercomputer facility, which we expect to be in operation by October 1986, will be acquired at a cost of approximately \$12.3 million. In addition to the \$10 million government grant, the Excellence Fund will provide \$0.7 million towards the cost of installation with the balance to be provided from the Current Operating Fund, amortized over a four year period. The facility is expected to break even in the fourth year and to recover all start up costs in the fifth year of operation. The first year's projected operating loss of \$0.7 million will be financed from the Current Operating Fund.

4. A presidential task force has been established to review the feasibility, including the financial feasibility, of converting the Faculty of Architecture and Landscape Architecture into an independent college affiliated with the University. The task force has been instructed to report to the President by July 1, 1986.
5. An interim board of management is being established for the Royal Conservatory of Music in order to plan the separation of this ancillary from the University, including the assignment of assets and obligations to staff.
6. It is expected that the University will launch a major capital fundraising campaign in 1987. Consultants are currently preparing a report on the results of a feasibility study which tested a tentative campaign goal of \$85 million.
7. Commencing with the 1986-87 Winter Session all University of Toronto students will be able to pay tuition fees at any chartered bank in Canada. This procedure will provide considerable benefits to both the University and its students in the form of increased convenience, improved security and reduced volume of fees data entry.
8. As noted in the Budget Report for 1986-87, it was proposed that a comprehensive review of the Tuition Fee Refund Schedule be carried out by the Office of the Comptroller during the forthcoming year. For 1986-87, a general across the board reduction will be made in tuition fee refunds, with the exception of the designated "shopping period" during which a full 100% refund will continue to be made.
9. The University's policy on mandatory retirement at age 65 and relevant provisions to the Ontario Human Rights Code have been challenged in the Supreme Court of Ontario as contravening the Canadian Charter of Rights and Freedoms. No decision has yet been rendered on this matter. If the decision is unfavourable to the University this case could set a precedent and the financial effect upon the University could be significant.



A.C. Pathy
Vice-President - Business Affairs

June, 1986

TABLE I

**SOURCE AND DISTRIBUTION OF THE UNIVERSITY CURRENT OPERATING FUND
FOR THE YEARS ENDED APRIL 30, 1982 TO 1986**

	1986	1985	1984	1983	1982
	%	%	%	%	%
INCOME					
Government grants	76.2	75.6	76.2	76.5	76.2
Student fees	17.0	17.4	17.0	16.3	15.7
Other Income	8.8	7.0	6.8	7.2	8.1
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
EXPENDITURES					
By functional category					
Academic and academic services	74.0	73.5	73.1	72.2	71.9
Physical plant					
— maintenance and utilities	11.9	11.9	11.8	12.0	12.6
— renovations and directed government grants	0.2	0.2	0.4	1.1	0.5
Administration	6.8	6.7	6.8	6.6	6.9
Interest and expense	2.9	3.2	3.4	3.8	4.2
Student services and assistance	3.6	3.8	3.9	3.5	3.4
Other expenditures	0.6	0.7	0.6	0.8	0.5
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>
By object of expense					
Academic salaries and benefits (incl. Librarians)	46.9	46.8	46.4	45.5	44.7
Other salaries and benefits	29.6	29.7	29.8	29.7	29.4
Equipment	4.4	4.0	4.1	3.4	3.8
Utilities	3.9	4.0	4.1	3.9	4.1
Supplies and other expense	12.4	12.3	12.7	13.5	13.9
Maintenance of physical plant	2.2	2.2	2.5	2.9	2.8
Improvements and alterations	0.2	0.2	0.2	0.7	0.5
Debt interest and municipal taxes	2.9	3.2	3.4	3.8	4.2
	<u>102.5</u>	<u>102.4</u>	<u>103.2</u>	<u>103.4</u>	<u>103.4</u>
Internal cost recoveries	(2.5)	(2.4)	(3.2)	(3.4)	(3.4)
	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>	<u>100.0%</u>

TABLE II

COMPARATIVE STUDENT ENROLMENTS, FULL-TIME EQUIVALENTS AND FUNDING UNITS

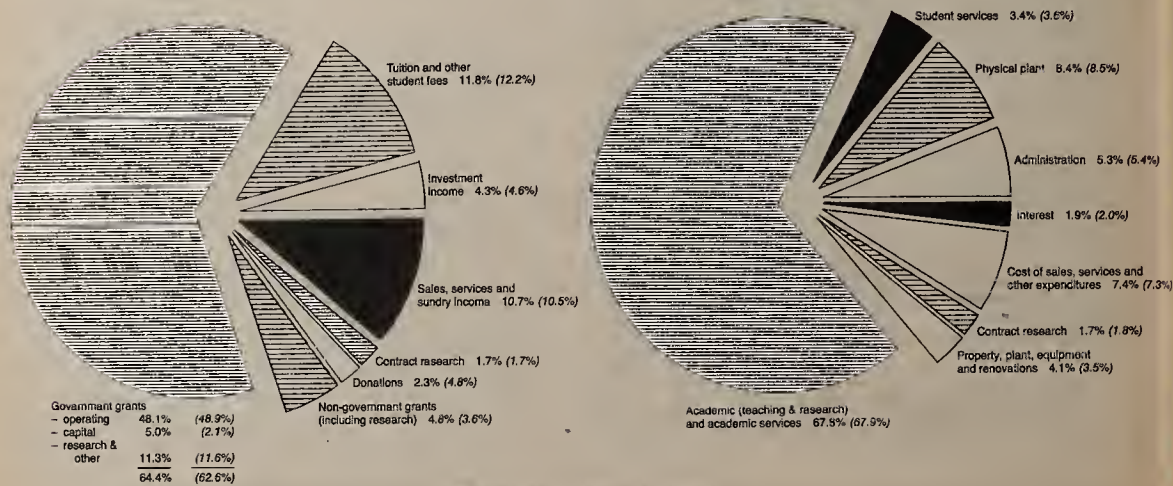
	Annual Enrolments					Full-Time Student Equivalents				
	1985-86	1984-85	1983-84	1982-83	1981-82	1985-86	1984-85	1983-84	1982-83	1981-82
REGULAR SESSION										
(Undergraduate and Graduate)										
— Full-time	32,964	33,754	34,450	33,395	34,048	31,546	32,338	33,249	32,257	32,962
— Part-time	14,409	14,442	14,415	14,001	13,751	4,628	4,618	4,471	4,342	4,094
SUMMER SESSION	20,406	20,408	20,526	20,454	18,953	7,189	7,230	7,209	7,138	6,553
Total	<u>67,779</u>	<u>68,604</u>	<u>69,391</u>	<u>67,850</u>	<u>66,752</u>	<u>43,363</u>	<u>44,186</u>	<u>44,929</u>	<u>43,737</u>	<u>43,609</u>
Made up of:										
Undergraduate	56,982	57,711	58,578	57,222	56,466	34,611	35,428	36,355	35,423	35,619
Graduate	10,797	10,893	10,813	10,628	10,286	8,752	8,758	8,574	8,314	7,990
	<u>67,779</u>	<u>68,604</u>	<u>69,391</u>	<u>67,850</u>	<u>66,752</u>	<u>43,363</u>	<u>44,186</u>	<u>44,929</u>	<u>43,737</u>	<u>43,609</u>
FUNDING UNITS										
<i>Old Formula</i>										
Undergraduate — Basic Income Units (B.I.U.)						56,641	56,630	56,105	55,553	54,703
— Unit Value						\$ 4,273	\$ 4,128	\$ 3,962	\$ 3,749	\$ 3,368
Graduate — Graduate Funding Units (G.F.U.)						17,515	17,308	17,062	16,889	16,797
— Unit Value						\$ 4,168	\$ 4,026	\$ 3,864	\$ 3,656	\$ 3,284
<i>New Formula</i>										
Base — B.I.U.'s and G.F.U.'s combined						73,007	73,007			
— Unit value						\$ 3,272	\$ 3,124			
Moving average — B.I.U.'s and G.F.U.'s combined						77,410	76,888			
— Unit Value						\$ 1,001	\$ 977			
PROVINCE OF ONTARIO FORMULA GRANTS						<u>\$266,641</u>	<u>\$256,343</u>	<u>\$244,213</u>	<u>\$229,500</u>	<u>\$204,681</u>

Enrolment data does not include the Ontario Institute for Studies in Education, The Toronto School of Theology and non-credit course enrolments.
The funding units are averaged and discounted and therefore do not coincide directly with annual enrolments.

TABLE III

**SOURCE AND DISTRIBUTION OF COMBINED UNIVERSITY FUNDS
FOR THE YEAR ENDED APRIL 30, 1986**

INCOME	1985-86	1984-85	EXPENDITURES	1985-86	1984-85
Current operating fund	\$368,517,000	\$355,555,000	Current operating fund	\$372,044,000	\$353,185,000
Ancillary operations	50,482,000	46,951,000	Ancillary operations	50,144,000	46,262,000
Capital funds	32,823,000	13,660,000	Capital funds	22,486,000	17,746,000
Restricted Funds	132,335,000	134,550,000	Restricted Funds	115,743,000	108,452,000
	<u>\$584,157,000</u>	<u>\$550,716,000</u>		<u>\$560,417,000</u>	<u>\$525,645,000</u>



(Previous year percentages in brackets)



A MEMBER OF ARTHUR YOUNG INTERNATIONAL

Clarkson Gordon

AUDITORS' REPORT

To the Members of The Governing Council of
University of Toronto:

We have examined the combined financial statements of University of Toronto
for the year ended April 30, 1986 comprising the following:

- Statement of financial position
- Statement of changes in fund balances
- Schedule of funds committed for specific purposes
- Schedule of surplus (deficit)
- Schedule of property, plant and equipment
- Schedule of equity in property, plant and equipment
- Schedule of restricted funds

Our examination was made in accordance with generally accepted auditing
standards, and accordingly included such tests and other procedures as we
considered necessary in the circumstances.

In our opinion, these combined financial statements present fairly the financial
position of the University as at April 30, 1986 and the results of its operations
for the year then ended in accordance with accounting principles described
in note 1 to the combined financial statements applied on a basis consistent with
that of the preceding year.

Toronto, Canada,
June 4, 1986.

Chartered Accountants

UNIVERSITY OF TORONTO
STATEMENT OF FINANCIAL POSITION
APRIL 30, 1986
(with comparative totals at April 30, 1985)
(thousands of dollars)

Statement 1

	Current Operating Fund	Ancillary Operations	Capital Funds	Restricted Funds	1986 Total	1985 Total
ASSETS						
Cash	\$ 75	\$ 673		\$ 1,371	\$ 2,119	\$ 1,937
Accounts receivable	10,232	4,927		94	15,253	15,794
Supplies and prepaid expenses	1,176	7,800			8,776	6,402
Interfund accounts	3,048	(4,603)	\$ (163)	1,718		
Investments (note 2)	7,062	3,216	20,764	211,713	242,755	228,670
Property, plant and equipment		27,711	749,817		777,528	756,467
	<u>\$21,593</u>	<u>\$39,524</u>	<u>\$770,418</u>	<u>\$214,896</u>	<u>\$1,046,431</u>	<u>\$1,009,270</u>
LIABILITIES						
Bank indebtedness	\$ 27	\$ 1,568		\$ 1,595	\$ 2,958	\$ 2,958
Accounts payable	19,638	5,842	\$ 212		25,692	30,790
Unearned income	1,417	2,937			4,354	4,128
Long-term debt (note 4)		12,775			12,775	153,584
	<u>21,082</u>	<u>23,122</u>	<u>212</u>		<u>44,416</u>	<u>191,460</u>
EQUITY IN PROPERTY, PLANT AND EQUIPMENT		<u>9,260</u>	<u>749,127</u>		<u>758,387</u>	<u>599,109</u>
FUND BALANCES						
Funds committed for specific purposes	13,930	2,218	21,079	\$ 78,252	115,479	100,178
Surplus (deficit)	(3,339)	4,924			1,585	3,310
Deficit of discontinued ancillary (note 7)	(10,080)				(10,080)	(11,267)
Endowment funds				136,644	136,644	126,480
	<u>511</u>	<u>7,142</u>	<u>21,079</u>	<u>214,896</u>	<u>243,628</u>	<u>218,701</u>
	<u>\$21,593</u>	<u>\$39,524</u>	<u>\$770,418</u>	<u>\$214,896</u>	<u>\$1,046,431</u>	<u>\$1,009,270</u>

On behalf of the Governing Council:


Chairmen of the Governing Council


President

(See accompanying notes to financial statements)

University of Toronto International Report 1985-1986 Some sources of support for international development activities

*Peggy L. Falkenheim
Director
Office of International Cooperation*

In the past two years, the Office of International Cooperation has received a large and growing number of inquiries regarding sources of support for international development activities. In response to these inquiries, the Office has sent information to a number of individual professors. It would seem to make sense, therefore, to focus this year's report on funding sources, rather than on the University's recent international activities, some of which will be described in the appendices.

No effort will be made to be comprehensive, which would be impossible in a short report. The report will focus on a few, selected sources of support for programs of assistance to developing countries, in particular, training programs and applied research. The report will describe some ways in which both individual professors interested in consultancy work and the University of Toronto as an institution can better exploit these sources of funding.

The appendices to the report are as follows:

- Appendix A, CIDA Country Eligibility;
 - Appendix B, University of Toronto CIDA and IDRC Projects;
 - Appendix C, University of Toronto Linkages with Foreign Institutions; and
 - Appendix D, Office of International Cooperation Visitors for 1985.
- These appendices have been prepared by Mary Henkelman, and are available from the Office of International Cooperation, 978-4800.

I. Canadian International Development Agency

A. Educational Institutions Program Institutional Cooperation and Development Services (ICDS) Division

The Educational Institutions Program under CIDA's Institutional Cooperation and Development Services (ICDS) Division responds to proposals from Canadian universities and community colleges for projects in developing countries eligible for CIDA funding (see list in Appendix A; ICDS may fund projects in countries in the first three categories on the list). Top priority is given to projects aimed at strengthening institutions in those countries to help them deal with development problems considered important by their governments and by CIDA. Some funding also is available for applied research, conferences, workshops, feasibility studies and fellowship programs but these are accorded a much lower priority.¹ Lower priority also is accorded to projects involving individual professors, and not the University of Toronto as an institution. In the future, CIDA may give the International Development Office (IDO) of the Association of Universities and Colleges of Canada (AUCC) a fund to distribute to individuals interested in doing smallscale projects.

In general, CIDA gives priority to projects relating to rural development, agriculture, forestry, energy, natural resource development and human resource development (particularly, but not exclusively, human resource development in these other areas) and to projects designed to help the most disadvantaged members of developing country societies. However, the ICDS Division is free to fund projects in health and other sectors not normally considered a priority by CIDA. At the moment, CIDA is according special priority to projects designed to aid women in developing countries (see discussion in section on CIDA's Women in Development Program below) and to projects done in collaboration with the Canadian private

sector and/or of potential benefit to it.

Last fall, the ICDS Division instituted new procedures for reviewing proposals. (ICDS Guidelines are available in the Office of International Cooperation.) These procedures were adopted largely because the number of proposals being made to ICDS far exceeds the amount of funding available² and CIDA needs some mechanism to help it decide which ones to fund. Under these procedures, for most projects there is an annual proposal deadline in the late summer or early fall for projects beginning in CIDA's next fiscal year (which starts April 1), and proposals are reviewed first by an External Review Panel established by the AUCC's International Development Office. Projects recommended by the External Review Panel are then reviewed by CIDA country and technical specialists and by Canadian missions overseas before a final decision is made.³

Decisions about which projects to fund are based only partly on their inherent merit in developmental terms and their potential benefits for Canada in the commercial and other spheres. CIDA and the External Review Panel also try to achieve what they consider to be a fair distribution of projects among various recipient countries, among various Canadian universities and provinces and between the two official languages. Last year these limits were informal. This year, a ceiling of four has been placed on the number of projects involving any one Canadian university which CIDA will fund. Given these limits, in the future, we should increase our efforts to diversify our sources of funding for international projects in order to rely less on ICDS funding. Some suggestions about how to do this are contained in the following sections.

B. CIDA's Bilateral Programs

CIDA has a number of country programs under its Americas, Anglophone Africa, Francophone Africa and Asia branches. (These are listed in Category I in Appendix A.) In each country program, priorities and projects are planned on a multiyear basis by CIDA officials in consultation with the recipient country, and implementing agencies are chosen to carry out projects which appear in the country program. In general, CIDA gives priority to projects in the areas of agriculture, forestry, rural development, energy, natural resource development, and human resource development but the details vary from country to country. In some cases, Canadian universities have been chosen as implementing agencies for CIDA projects. For example, our Faculty of Forestry was selected in 1982 to implement a project to create a Master's program at the National Agrarian University in Peru.

Recently, CIDA has changed its rules to allow country program directors not only to hire Canadian universities as implementing agencies but also to fund initiatives coming from Canadian universities if they fit within country program priorities. It, therefore, is possible to approach particular country program directors about a proposed project. Individual consultants also are used by CIDA to participate in periodic country program reviews, and to do sectoral studies, feasibility studies and project evaluations. Consultants sometimes also are hired for short-term and long-term assignments (1-5 years) working on CIDA projects.

Given the severe limitations on ICDS funding, greater efforts should be made to obtain money from CIDA's country programs. In order to make sure that country program directors are aware of University of Toronto

capabilities, the following steps should be taken:

1. Country program directors should be contacted periodically to find out future directions in their country programs and to make them aware of relevant U of T expertise. The Office of International Cooperation, and U of T professors in particular areas of specialization, have begun to do this and will continue to do this in the future. Names and telephone numbers of CIDA country program directors are listed in the Government of Canada, Telephone Directory, National Capital Region. The Office of International Cooperation has a copy of it and can provide names and telephone numbers of country program directors on request. This directory also is available by subscription.⁴
2. Individual U of T staff members interested in doing consultancy work should establish personal contacts with appropriate CIDA officials and should register with CIDA.⁵
3. In some cases, it would be advisable to approach the appropriate country program director first about a project proposal, before submitting it to ICDS. Staff members interested in doing so should contact the Office of International Cooperation for guidance.

C. CIDA's Public Participation Program

ICDS Division

The Public Participation Program funds projects designed to increase Canadian awareness of international development problems. According to its guidelines, Public Participation accords priority to projects which:

1. are directed at major sectors of the public and at geographical areas and organizations with potential for involvement in international development;
2. reach people with little or no previous experience in, or knowledge of, international development;
3. aim to mobilize direct, practical support for overseas development work in the form of funding and/or in-kind contributions from the Canadian private sector;
4. involve strong volunteer and other in-kind support;
5. represent a cooperative effort among various agencies and groups;
6. have a significant measure of financial participation by applicant organizations and their constituencies;
7. involve the dissemination of information through the public media;
8. bring to Canada qualified individuals from developing countries provided that their visits constitute an essential and integral part of the particular program or project;
9. are sponsored by organizations which have demonstrated an ability to sustain long-term development education programs.

Lower priority is accorded to proposals for general meetings and conferences, unless these lead to clearly defined follow-up action which is part of the project/program design.

In the past, Public Participation has supported projects which have aimed to achieve these objectives by assisting in curriculum and teaching materials development for high schools, production and distribution to schools and community groups of audiovisual materials relating to international development, organization of public lectures on development topics, production and distribution of newsletters for non-governmental organizations involved in development, etc. Some of these activities have been carried out by development education centres which usually have libraries of audiovisual and written material relating to development and which serve as sites for meetings, workshops

and public lectures on international development. Some development education centres are located at Canadian universities, for example, at Queen's University and the University of Guelph.

Since there already is a development education centre in Toronto (called the Development Education Centre or DEC for short), it is unlikely that Public Participation would give the University of Toronto funding to create another one. However, Public Participation would consider proposals for funding University of Toronto activities which complement what is being done by DEC. Some possibilities are:

1. Organization of workshops or conferences for the staff of non-governmental organizations aimed at achieving particular objectives, for example, at increasing their awareness of issues relating to women in development;
2. Organization of public lectures on international development by professors, foreign students, domestic students returning from overseas field work, visitors from developing countries, etc. Public Participation could be asked to pay for some administrative costs, local travel expenses, materials, and perhaps small honoraria;
3. Production and distribution of educational materials on international development, for example, radio or television programs or short documents or audiovisual materials suitable for wide distribution to the general public. (Public Participation may cover costs but the author or producer is not allowed to make a profit. Materials produced with Public Participation funding cannot be copyrighted);
4. Creation of a data base of university resource persons for development education activities (of persons willing to give public lectures, advise students, etc.);
5. Production and distribution of a newsletter on the university's international development activities;
6. Acquisition of language tapes and other materials needed to prepare individuals for participation in international development projects.

Enquiries relating to the Public Participation program should be addressed to the following address with a copy to the Office of International Cooperation:

The Director, Public Participation Program
Special Programs Branch
Canadian International Development Agency
200 Promenade du Portage
Hull, Quebec K1A 0G4.

D. CIDA's Management for Change Program

CIDA's Management for Change Program stimulates and supports ways to improve the managerial capacity of senior executives in developing countries in order to help them adapt to changing conditions and solve specific practical management problems. Since the Management for Change Program has a small budget (\$2.2 million was disbursed in the last fiscal year), it funds mainly projects which cost between \$50,000 and \$75,000. The emphasis is on short-term activities dealing with specific problems, not on traditional forms of degree training nor medium or longer term institutional linkages. Priority is given to proposals that address such problems at the senior management level, that promote cooperation among various developing countries within a region, and that involve women in project planning and implementation.

Copies of the Management for Change brochure and submission guide can be obtained from the Office

of International Cooperation or from:
The Director
Management for Change Program
Special Programs Branch
Canadian International Development
Agency

200 Promenade du Portage
Hull, Quebec K1A 0G4

In the submission guide, it is suggested that before preparing a detailed proposal, applicants for funds should submit a short (1-2 pages) concept paper in note form indicating for what activity funding is being requested, why it is being requested, where and when it will take place and approximately how much it would cost. These concept papers should be discussed with the Office of International Cooperation before submission.

E. CIDA's Women in Development Program

CIDA's Women in Development Program under its Policy Branch has no money of its own to disburse. However, with its encouragement, CIDA is taking various steps which may open up new opportunities for individual consultants and which may make CIDA receptive to particular types of proposals.

WID's objectives are to ensure that CIDA projects have a positive, or at least not a negative, impact on women in developing countries and that CIDA supports projects which: increase our understanding of the roles played by women in developing countries in farming, commerce, etc., enhance their productivity, help them gain access to employment in non-traditional sectors, increase their status and participation in their community, respond to their initiatives for improving their own situation, etc. In order to achieve these objectives, WID is organizing training programs for CIDA staff members and is encouraging other CIDA branches and programs to establish five-year WID action plans, provide orientation on WID issues for CIDA consultants and cooperants, collect project and sectoral data disaggregated by sex, and reflect WID concerns in project guidelines and evaluations.

University of Toronto staff members with expertise on issues relating to Women in Development should write to the appropriate country program director/s with a copy to the Office of International Cooperation and should ask to be included in CIDA's consultants' roster.⁶

Staff members with ideas about innovative proposals which could further WID objectives should discuss them with appropriate officials in CIDA's bilateral, management for change, public participation and other programs. The Office of International Cooperation can provide names of appropriate officials.

F. CIDA's Fellowship Program

Besides funding projects, CIDA also offers fellowships to Canadians to support participation in an on-the-job training program, work/study assignment or development-oriented academic program with field work in one or more developing countries. CIDA also funds fellowship programs for citizens of some developing countries in disciplines which vary from program to program.⁷

II. International Development Research Centre (IDRC)

In contrast to CIDA's ICDS Division, which funds training or institution building projects, the International Development Research Centre (IDRC), a Canadian government funded corporation, funds research by developing country scientists or collaborative research involving both Canadian and developing country

scholars.⁸ Approximately 85 per cent of IDRC's budget⁹ is allocated to projects conducted by developing country research institutions or groups working on their own without Canadian involvement. Approximately 15 per cent of IDRC's budget supports collaborative research by developing country and Canadian groups or institutions in cases where there is a need to use Canadian facilities or expertise to carry out the project. The list of developing countries eligible for IDRC funding is broader than CIDA's list, and there are IDRC projects in some countries, for example, Cuba, in which CIDA is not allowed to support projects.

IDRC's research program is divided into five broad categories: social sciences, agriculture, food and nutrition, communications, health sciences, and information sciences. Under the collaborative program, IDRC funds projects in these disciplines and other disciplines, such as energy and earth sciences, which contribute to economic or social development. Normally, IDRC funds only applied research, as opposed to bench or laboratory research. However, an exception sometimes is made for laboratory research projects which promise to have fairly immediate, largescale practical applications.

Proposals submitted to IDRC should come from the developing country research institution, not from the Canadian institution. However, it usually does not hurt if a Canadian institution has a preliminary discussion with IDRC about a proposed project so long as it is made clear that the proposal originated with an institution in a developing country. Normally, IDRC officials want a telephone call to be followed by a three to four page letter describing the proposed project, before a fullscale proposal is developed.

Proposals are judged according to the following criteria:
Does the proposal fit within a priority expressed by a government or research institution in a developing country?
Are the research findings likely to have useful application beyond the country in which the project is conducted?

Will the research help close gaps in living standards and lessen the imbalance in development between rural and urban areas?
Will the project strengthen the research capacity of the developing country institution or group involved?
Will the project make the fullest possible use of local resources and research workers from the region?

In many cases, a proposal has to be approved not only by IDRC but also by the government of the country in which the project will take place. The host government vetting process should be started at the same time as the IDRC review process.

Besides funding projects, IDRC offers fellowships to developing country researchers, managers, and planners working in sectors covered by IDRC's program divisions. Some of these awards are related to IDRC projects. IDRC also supports practical, non-degree group training to improve technical, research and administrative skills. Some funds are used to encourage the involvement of young Canadian graduate students in areas of concern to IDRC by supporting research, studies or placement in developing countries.

Prospective consultants should consult the IDRC's annual reports, its journal, *The IDRC Reports*, and its program guidelines to learn what kinds of initiatives IDRC supports. IDRC staff members are listed in the Government of Canada's telephone

directory.¹⁰

III. The World Bank

The World Bank¹¹, an international financial institution which committed U.S. \$15 billion in new loans in fiscal 1984, offers a number of opportunities for Canadian universities and individual staff members. Individual and institutional consultants are hired by the Bank or its borrowers to help identify, prepare, appraise, implement and supervise development projects, carry out pure and applied research and provide training. In order to exploit these opportunities successfully, it is important to know what kinds of activities are carried out by the Bank and its borrowers and where to find current information about them, to identify areas of excellence where the university or individual staff members can compete on an international basis, to understand the Bank's structure in order to know whom to approach about particular opportunities, to have access to a list of current Bank staff members and to establish and cultivate personal contacts with Bank officials and with appropriate developing country officials. This section gives a very brief overview of Bank activities involving outside consultants and describes some useful sources of information about the Bank with footnotes telling how to access them.

World Bank international development projects

The Bank's principal function is to loan money to developing countries to carry out projects which support coherent overall and sectoral development strategies. In support of this function, the World Bank and/or its borrowers carry out analyses of borrowing countries' economic conditions and of particular sectors, sub-sectors and development problems and implement projects. These projects go through various stages ranging from identification to preparation to appraisal to negotiation and Board approval to implementation to evaluation. External individual and institutional consultants are hired at various stages by the Bank or by its borrowers.

The Bank maintains rosters of institutions and individuals interested in doing consultancy work.¹² Although it does not hurt to be included in these rosters, it is far more important to establish personal contacts with appropriate Bank staff members and officials in borrowing countries. To do so effectively, it is important to understand the various stages of Bank projects, what kinds of consultants are hired at each stage, and who is responsible for hiring them and to receive timely information about projects under consideration by the Bank. The various stages of World Bank projects are described in detail in a Bank publication by Warren Baum entitled *The Project Cycle*.¹³ Information about who is responsible for hiring consultants at each stage and how best to contact them can be found in *A Guide to the World Bank for Canadian Universities* written by Monica C. Gruder, a former Bank staff member.¹⁴ This guide also gives the titles, addresses, and telephone numbers of Canadian governmental officials in Ottawa, Washington, D.C. and overseas who can provide assistance to consultants interested in World Bank activities. The names, addresses and telephone numbers of current Bank staff members are listed in the World Bank's telephone directory.¹⁵ Information about current projects under consideration or approved by the Bank can be found in the Bank's Monthly Operational Summary.¹⁶ The International Development Office of the Association of Universities and

Colleges of Canada has begun to distribute information about World Bank and Interamerican Development Bank projects of potential interest to Canadian universities.¹⁷

Bank-supported research activities

The World Bank supports both "pure research" aimed at keeping the Bank at the leading edge of inquiry into international development and "applied research" in connection with specific Bank lending programs and projects. While much of this research is in economics, it also involves other disciplines such as agricultural science, engineering, management, political science, sociology, health science and education. The Bank will consider research proposals only from staff members, not from outsiders, but external consultants often are hired to help prepare or appraise research proposals and to help implement or evaluate research projects. Prospective consultants, therefore, should establish personal contacts with appropriate staff members, preferably by visiting Washington, D.C. and, if this is not possible, by sending them copies of relevant publications. These staff members can be found not only in the Economics and Research branch, which is responsible for coordinating the Bank's "pure" research activities, but also in branches responsible for lending programs and projects, in particular, the six regional branches, the operations policy branch and the energy and industry branch. A more detailed description of the kinds of research activities undertaken by the Bank and a list of Bank research coordinators, perhaps now not entirely up-to-date, can be found in Monica Gruder's guide.¹⁸ Information about current Bank research activities can be found in the following Bank publications:

*Abstracts of Current Studies: The World Bank Research Program; Research News; New Publications and periodic Updates; Catalog of Staff Working Papers.*¹⁹

Bank training activities

Although most Bank-supported training activities take place as part of World Bank projects, the Bank also has a special training facility called The Economic Development Institute (EDI) which offers short training courses for developing country officials. Now over 80 per cent of EDI training activities take place in developing countries and only 20 per cent in Washington, D.C. The EDI offers a number of opportunities for Canadian consultants ranging from serving as a visiting professor at the Institute to participation in training seminars to preparation of teaching modules and publishable case studies to be used as training materials. Right now, EDI is interested in case studies of development experience in Africa, particularly success stories, in the following areas:

1. national economic management: taxation, economic incentives, investment policies, etc.;
2. sectoral adjustments in all sectors, e.g., agricultural pricing policies, transportation policy, urban finance, national health budgeting, tax collection, smallscale industry, etc.;
3. public and parastatal enterprise management: how to run such enterprises and make them profitable under existing political, etc. constraints;
4. public expenditure budgeting;
5. management of senior level training institutions.

Such case studies could be prepared in collaboration with a graduate student from a developing country. Anyone interested in pursuing this opportunity should send a two-page

sketch of the case study to the following EDI official with a copy to the Office of International Cooperation: Mr. David Davies, Deputy Chief of Studies

Economic Development Institute
The World Bank
1818 H Street N.W.
Washington, D.C. 20433.²⁰

EDI is particularly interested in hiring Canadian consultants since it has been given a CIDA grant to be used for this purpose.

1. Given ICDS' current budgetary constraints, projects accorded a lower priority are not likely to be funded.

2. In the current fiscal year, ICDS has approximately \$4 million of uncommitted funds to disburse for university projects.

3. For projects in China and Thailand, there is an earlier deadline and somewhat different procedures.

4. The directory is available by subscription for \$21/annum from: Renouf Publishing Company; 61 Sparks Street, Ottawa K1P 5A6 (613) 238-8385.

5. Individuals interested in doing short-term consultancy work for CIDA should send their resumes (with a copy to the Office of International Cooperation) to Ms Lucienne Tremblay, Consultants and Industrial Relations, Business Cooperation Branch, Canadian International Development Agency, 200 Promenade du Portage, Hull, Quebec K1A 0G4. If CIDA is interested, it will send an application form. Individuals interested in longer term assignments should telephone Mr. R. B. Black, Director of CIDA's Human Resources Directorate at 819: 997-1197. Since CIDA is trying to increase the number of female consultants hired, female staff members are particularly encouraged to register with CIDA.

6. See note 5.

7. Information about fellowships for Canadians can be obtained through the Student Awards Office or the Fellowships and Loans Office, School of Graduate Studies. Fellowships for students from developing countries are granted in connection with projects in their home country, and applications must be made to their own Ministry of Education.

8. The distinction is not always clearcut. Under CIDA institution building projects, developing country participants often are trained in research techniques. Although it accords research a lower priority than institution building, CIDA sometimes funds applied research. IDRC projects may include short training programs. Additional funding for training is available under IDRC's fellowship program.

9. In the 1986-87 fiscal year, IDRC's annual budget will be \$100 million.

10. The Office of International Cooperation has copies of IDRC's brochures, guidelines, annual reports and journals. Copies of IDRC's health science guidelines and application forms are available in the Faculty of Medicine's research office. *The IDRC Reports* is available in Robarts, Government Publications. IDRC publications can be ordered from: IDRC, Box 8500, Ottawa, K1G 3H9 (613) 236-6163. See note 4 re how to order the government telephone directory.

11. The World Bank is the title normally used for the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA). The IBRD makes low-interest loans to developing countries, normally for a twenty-year period. The IDA extends interest-free "credits" to the poorest developing countries, normally for fifty-year periods.

12. Faculty members interested in registering as consultants with the Bank should request a consultancy form from: Consultants' Section, Personnel Management Division, The World Bank, 1818 H Street N.W., Washington, D.C. 20433. Please send copies of the completed form to the Office of International Cooperation as well as to the Bank.

13. This and other Bank publications can be ordered from: Le Diffuseur, C.P. 85, Boucherville, Quebec J4B 5E6. Attn: Ms Suzanne Vermette.

14. This very useful publication can be bought for \$11 from the: Publications Office, Association of Universities and Colleges of Canada, 151 Slater Street, Ottawa K1P 5N1. Copies also are available in the Office of International Cooperation and the Office of Research Administration.

15. Available from Le Diffuseur. See note 13.

16. Information about World Bank projects at all stages of development from inception until approval is published in the Bank's Monthly Operational Summary, copies of which are available in the Office of International Cooperation.

17. Copies of the newsletter are available in the Office of International Cooperation which will distribute relevant information to divisions which express an interest in receiving it.

18. See above. Details re how to order it in footnote 14.

19. The first two publications listed can be obtained free of charge from: The Editor, Office of the Vice-President, Economics and Research, The World Bank, H Street N.W., Washington, D.C. 20433. The other publications are available with a small handling charge from: Le Diffuseur, C.P. 85, Boucherville, Quebec J4B 5E6. Attn: Ms Suzanne Vermette.

20. EDI will pay \$10,000-\$15,000 for a case study (I am not sure if this figure is in U.S. or Canadian dollars) plus appropriate University overhead which should be discussed with the Office of International Cooperation.

UNIVERSITY OF TORONTO
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED APRIL 30, 1986
(with comparative totals for the year ended April 30, 1985)
(thousands of dollars)

Statement 2

	Current Operating Fund	Ancillary Operations	Capital Funds	Restricted Funds	1986 Total	1985 Total
INCOME						
Government grants	\$280,632	\$ 163	\$29,396	\$ 65,767	\$375,958	\$344,545
Student fees	62,996	6,171			69,167	67,403
Sales, services and sundry income	16,935	43,660	2,145		62,740	57,721
Contract research				9,752	9,752	9,583
Investment income	7,859	421	1,017	15,682	24,979	25,237
Donations			265	13,250	13,515	26,625
Other grants	95	67		27,884	28,046	19,602
	<u>368,517</u>	<u>50,482</u>	<u>32,823</u>	<u>132,335</u>	<u>584,157</u>	<u>550,716</u>
EXPENDITURES						
Academic	245,066	4,015		100,607	349,688	328,275
Academic services	30,064			96	30,160	28,729
Student services and assistance	13,519			5,440	18,959	18,712
Operation and maintenance of physical plant	44,182	2,781			46,963	44,783
Administration	25,344	4,885			30,229	28,231
Interest expense	9,112	1,258			10,370	10,551
Cost of sales and services		36,319			36,319	33,689
Contract research				9,600	9,600	9,577
Renovations	642		11,004		11,646	9,011
Property, plant and equipment		91	11,482		11,573	9,619
Depreciation		743			743	389
Other expenditures	4,115	52			4,167	4,079
	<u>372,044</u>	<u>50,144</u>	<u>22,486</u>	<u>115,743</u>	<u>560,417</u>	<u>525,645</u>
INCREASE (DECREASE) IN FUND BALANCES BEFORE THE FOLLOWING	(3,527)	338	10,337	16,592	23,740	25,071
Transfer between funds	159	(201)	1,198	(1,156)		
Reduction in deficit of discontinued ancillary (note 7)	1,187				1,187	1,006
NET INCREASE (DECREASE) IN FUND BALANCES FOR THE YEAR	<u>\$ (2,181)</u>	<u>\$ 137</u>	<u>\$11,535</u>	<u>\$ 15,436</u>	<u>\$ 24,927</u>	<u>\$ 26,077</u>
Change for the year in individual funds:						
increase (decrease) in funds committed for specific purposes	\$ (1,549)	\$ 43	\$11,535	\$ 5,272	\$ 15,301	\$ 4,400
Increase in surplus (deficit)	(1,819)	94			(1,725)	1,579
Reduction in deficit of discontinued ancillary (note 7)	1,187				1,187	1,006
Increase in endowment funds				10,164	10,164	19,092
	<u>(2,181)</u>	<u>137</u>	<u>11,535</u>	<u>15,438</u>	<u>24,927</u>	<u>26,077</u>
FUND BALANCES, BEGINNING OF YEAR	<u>2,692</u>	<u>7,005</u>	<u>9,544</u>	<u>199,460</u>	<u>218,701</u>	<u>192,624</u>
FUND BALANCES, END OF YEAR	<u>\$ 511</u>	<u>\$ 7,142</u>	<u>\$21,079</u>	<u>\$214,896</u>	<u>\$243,628</u>	<u>\$218,701</u>

(See accompanying notes to financial statements)

UNIVERSITY OF TORONTO
SCHEDULE OF FUNDS COMMITTED FOR SPECIFIC PURPOSES
FOR THE YEAR ENDED APRIL 30, 1986
(thousands of dollars)

Schedule 1

	Balance, beginning of year	Amounts committed during the year	Deduct expenditures incurred during the year	Net Increase (decrease)	Balance, end of year
CURRENT OPERATING FUND (note 3(a))					
Carryforward of divisional appropriations	\$ 8,203	\$ 7,266	\$ 7,532	\$ (266)	\$ 7,937
Purchase order commitments	5,557	4,321	5,557	(1,236)	4,321
Alterations and renovations	1,719	595	642	(47)	1,672
	<u>15,479</u>	<u>12,182</u>	<u>13,731</u>	<u>(1,549)</u>	<u>13,930</u>
ANCILLARY OPERATIONS (note 3(b))					
Replacement of non-depreciable equipment	735	450	315	135	870
Alterations and renovations	1,440	672	764	(92)	1,348
	<u>2,175</u>	<u>1,122</u>	<u>1,079</u>	<u>43</u>	<u>2,218</u>
CAPITAL FUNDS (note 3(c))					
General building programme	5,868	18,313	17,478	835	6,703
Supercomputer facility		10,068		10,068	10,068
Parking facilities	1,811	408		408	2,219
Residences	1,865	224		224	2,089
	<u>9,544</u>	<u>29,013</u>	<u>17,478</u>	<u>11,535</u>	<u>21,079</u>
RESTRICTED FUNDS (note 3(d))					
Assisted research	35,782	100,466	96,957	3,509	39,291
Other expendable funds	37,198	20,549	18,786	1,763	38,961
	<u>72,980</u>	<u>121,015</u>	<u>115,743</u>	<u>5,272</u>	<u>78,252</u>
TOTAL FUNDS COMMITTED FOR SPECIFIC PURPOSES	<u>\$100,178</u>	<u>\$163,332</u>	<u>\$148,031</u>	<u>\$15,301</u>	<u>\$115,479</u>

(See accompanying notes to financial statements)

UNIVERSITY OF TORONTO
SCHEDULE OF SURPLUS (DEFICIT)
FOR THE YEAR ENDED APRIL 30, 1986
(with comparative figures for the year ended April 30, 1985)
(thousands of dollars)

Schedule 2

	Current Operating Fund		Ancillary Operations	
	1986	1985	1986	1985
Income	\$368,517	\$355,555	\$50,482	\$46,951
Expenditures	372,044	353,165	50,144	46,262
Operating results before commitments and transfers	(3,527)	2,370	338	669
Net decrease (increase) in committed funds	1,549	(3,676)	(43)	(166)
Transfers	159	822	(201)	1,540
Increase in surplus (deficit) for the year	(1,819)	(484)	94	2,063
Surplus (deficit), beginning of year	(1,520)	(1,036)	4,830	2,767
Surplus (deficit), end of year	<u>\$ (3,339)</u>	<u>\$ (1,520)</u>	<u>\$ 4,924</u>	<u>\$ 4,830</u>

(See accompanying notes to financial statements)

UNIVERSITY OF TORONTO
SCHEDULE OF PROPERTY, PLANT AND EQUIPMENT
APRIL 30, 1986
(with comparative totals at April 30, 1985)
(thousands of dollars)

Schedule 3

	Ancillary Operations	Capital Funds	1986 Total	1985 Total
PROPERTY, PLANT AND EQUIPMENT				
AT COST (note 1(h))				
Land	\$ 18	\$ 30,522	\$ 30,540	\$ 30,540
Buildings	23,375	421,642	445,017	447,528
Furniture and equipment	9,277	232,451	241,728	223,224
Library books		65,202	65,202	59,517
	32,670	749,817	782,487	760,809
LESS: ACCUMULATED DEPRECIATION	4,959		4,959	4,342
BOOK VALUE	<u>\$27,711</u>	<u>\$749,817</u>	<u>\$777,528</u>	<u>\$756,467</u>

(See accompanying notes to financial statements)

UNIVERSITY OF TORONTO
SCHEDULE OF EQUITY IN PROPERTY, PLANT AND EQUIPMENT
FOR THE YEAR ENDED APRIL 30, 1986
(with comparative totals for the year ended April 30, 1985)
(thousands of dollars)

Schedule 4

	Ancillary Operations	Capital Funds	1986 Total	1985 Total
BALANCE, BEGINNING OF YEAR	\$9,169	\$589,940	\$599,109	\$567,152
ADD:				
Mortgage principal repayments	91		91	78
Capital funds expended on –				
Buildings		6,137	6,137	3,657
Equipment		337	337	1,025
Current operating funds expended on –				
Equipment		7,146	7,146	7,090
Library books		5,685	5,685	5,089
Computer leases		191	191	854
Restricted funds expended on equipment		9,769	9,769	9,445
Province of Ontario grants for debenture principal repayments		5,008	5,008	4,858
	9,260	624,213	633,473	599,248
Forgiveness of Province of Ontario debentures (note 4)		125,047	125,047	
	9,260	749,260	758,520	599,248
LESS:				
Disposal of assets		133	133	139
BALANCE, END OF YEAR	<u>\$9,260</u>	<u>\$749,127</u>	<u>\$758,387</u>	<u>\$599,109</u>

(See accompanying notes to financial statements)

UNIVERSITY OF TORONTO
SCHEDULE OF RESTRICTED FUNDS
FOR THE YEAR ENDED APRIL 30, 1986
(thousands of dollars)

Schedule 5

	Endowment (and designated endowment) funds				Expendable funds					Balance April 30, 1986
	Balance April 30, 1985	Donations and other additions	Transfers	Balance April 30, 1986	Balance April 30, 1985	Grants and other additions	Investment income	Transfers	Disbursements	
Student aid	\$ 25,033	\$ 1,284	\$ 552	\$ 26,869	\$ 7,383	\$ 2,250	\$ 2,721	\$ 745	\$ 5,440	\$ 7,659
Departmental funds	12,858	1,100	378	14,336	18,277	8,675	2,451	(408)	9,020	17,975
Research funds	17,417	530	947	18,894	35,782	94,488	2,958	3,020	96,957	39,291
Miscellaneous funds	3,792		(342)	3,450	4,355	1,236		(161)	2,368	3,782
Faculty endowment funds	10,257	725	(500)	10,482			966		896	70
General endowment funds	3,134	1,592		4,726			275		274	1
Connaught fund	45,024	2,704		47,728	455		3,835	(3,852)	146	292
Connaught/Innovations fund	1,501			1,501	12		195		196	11
Update fund					7,860	674	908	(1,150)	258	8,034
l'Anson fund	4,509	18		4,527	659		556	(385)		830
	<u>123,525</u>	<u>7,953</u>	<u>1,035</u>	<u>132,513</u>	<u>72,783</u>	<u>107,323</u>	<u>15,585</u>	<u>(2,191)</u>	<u>115,555</u>	<u>77,945</u>
Ancillary operations	1,027	33	33	1,093	197	234	97	(33)	188	307
	<u>\$124,552</u>	<u>\$7,986</u>	<u>\$1,068</u>	<u>\$133,606</u>						
Comprising:										
Endowment funds	\$ 36,520	\$ 2,544	\$ 2,596	\$ 41,660						
Designated endowment funds	88,032	5,442	(1,528)	91,946						
Total	<u>124,552</u>	<u>7,986</u>	<u>1,068</u>	<u>133,606</u>						
Realized net gain and undistributed income on investments	<u>1,928</u>	<u>1,110</u>		<u>3,038</u>						
TOTAL FUND BALANCE	<u>\$126,480</u>	<u>\$9,096</u>	<u>\$1,068</u>	<u>\$136,644</u>	<u>\$72,980</u>	<u>\$107,557</u>	<u>\$15,682</u>	<u>\$(2,224)</u>	<u>\$115,743</u>	<u>\$78,252</u>

(See accompanying notes to financial statements)

1. Summary of significant accounting policies and reporting practices

The financial statements have been prepared in accordance with accounting principles generally accepted for universities consistently applied within the framework of the accounting policies summarized below:

(a) Combined financial statements –

The financial statements of the University reflect the assets, liabilities, equity in property, plant and equipment, fund balances, income, expenditures and other transactions of the following individual fund groups which include all of the organizations under the jurisdiction of the Governing Council:

Fund Groups
Current Operating Fund
Ancillary Operations
Capital Funds
Restricted Funds

Interfund balances and transactions have been eliminated on combination.

(b) Fund accounting –

The accounts of the University are maintained in accordance with the principles of fund accounting in order that limitations and restrictions placed on the use of available resources may be observed. Under fund accounting, resources for various purposes are classified for accounting and reporting purposes into funds in accordance with activities or objectives specified. For financial reporting purposes, the University has combined funds with similar characteristics into the four fund groups noted above.

The Current Operating Fund accounts for the costs of academic, administrative and other operating expenditures of the University financed by fees, grants and other general income. It also records the assets, liabilities, funds committed for specific purposes and cumulative deficit relating to regular academic and administrative operations.

The Ancillary Operations group includes the following operations:

Unincorporated –

Parking
Residences
Food and Beverage Services
Hart House
Guidance Centre
University of Toronto Press
Royal Conservatory of Music of Toronto

Incorporated –

The Frederick Harris Music Co. Limited
The University of Toronto Innovations Foundation

Expenditures for ancillary operations include both direct and indirect costs. Parking, residences, food and beverage services are operated on a fee-for-service basis.

Restricted funds of certain ancillary operations are included in the restricted funds group.

The Capital Funds group accounts for amounts expended and funds available to be spent on the building programme and includes funds to construct future parking facilities and to replace Devonshire House but excludes those of other ancillary operations. Capital funds include land, buildings and properties owned by the University and investments held for the building programme other than buildings, or substantial portions thereof, used exclusively for ancillary operations, capital equipment of ancillary operations and investments and funds held for the ancillary operations' building programme, which are recorded under ancillary operations.

The Restricted Funds group accounts for funds received for research and other special purposes other than building and operating programmes. As noted above, restricted funds of certain ancillary operations are included in this group of accounts. Some donations are in the form of an endowment whereby only the income earned on the funds is expendable for specified purposes; other donations are fully expendable for specified purposes. The endowment fund category includes funds designated as endowments by the Governing Council in the exercise of its discretion, rather than as a result of externally imposed restrictions. In such cases, the Governing Council may subsequently decide at any time to expend the principal. Assets consist of investments held for endowments, and cash and other investments available for expenditure.

(c) Federated and affiliated organizations –

These financial statements do not include the assets, liabilities and operations of the three federated universities: Trinity College, University of St. Michael's College and Victoria University, each of which is a separate corporate body with separate financial statements, or those organizations affiliated with the University under the memorandum of agreement with the Toronto School of Theology. However, the current operating fund does include certain income and expenditures with respect to the University arts and science programme at the three federated universities. Income from student fees and government grants with respect to students registered in the arts and science program are included as income in the current operating fund, and academic salaries for federated university faculty appointed to the University of Toronto and teaching in the arts and science programme as well as grants to the three federated universities from the University are included as expenditures in the current operating fund.

(d) Accrual accounting –

The University follows the accrual method of accounting, recording income when earned and expenditures when incurred, except for research leave, assisted research and debenture interest (note 1(i)) which are recorded on a cash basis. Vacation pay is accrued during the year for employees paid on an hourly basis but not for salaried employees.

(e) Investments –

In the financial statements, investments are reported as follows:

- (i) Fixed income investments are carried in the accounts at amortized cost plus accrued interest. When such investments are sold to permit re-investment, any gain or loss on sale is adjusted against the book value of the investments and amortized according to the maturity of the securities sold.
- (ii) Equity investments are carried in the accounts at cost. When such investments are sold to permit re-investment, any gain or loss is added to or deducted from the capital of the fund.

(f) Inventory valuation –

Supplies and other inventories are stated substantially at the lower of average cost and market.

(g) Pension plan funding –

The accounting policy currently followed with respect to the funding of the University's pension plan is to charge against operations payments towards any unfunded liability, during the year in which such payments are made.

(h) Property, plant and equipment –

Land is carried at cost. Buildings and equipment acquired prior to June 30, 1971 are carried substantially at appraised values at that date. The subsequent acquisition of new properties, construction costs and equipment for new or rehabilitated buildings are carried at cost within the capital funds group. In the case of ancillary operations, buildings and equipment are carried at cost less accumulated depreciation.

Current Operating Fund expenditures include the acquisition cost as incurred of all equipment and library books, with the exception of computer equipment costing more than \$500,000. The cost of such computer equipment is amortized as a charge to operations on a straight-line basis over the lesser of seven years or the estimated useful life of the equipment.

Ancillary Operations record depreciation on buildings and equipment on the straight-line or declining balance basis, as an operating expense. In the case of residences and other buildings subject to mortgage, the annual mortgage payments are expensed in lieu of depreciation.

The building, works of art and books of Hart House are not reflected in the financial statements.

The University holds title to the lands and original buildings of Sunnybrook Hospital which it acquired for the sum of \$1. The property is leased in perpetuity to and operated by the Board of Trustees of Sunnybrook Hospital, a separate corporation.

(i) Interest expense on debentures –

For the past several years the Province of Ontario made grants equal to the annual payment of debenture principal and interest as they became due on debentures issued to the Ontario Universities Capital Aid Corporation until the corporation was wound up and the debt forgiven effective March 25, 1986. Interest expense includes interest on these debentures which has been recorded on a cash basis to correspond with the interest portion of grants received. (See Note 4)

2. Investments

The market value of investments at April 30, 1986 was \$271,795,000 (1985 – \$244,997,000). The cost of investments at April 30, 1986 was \$242,755,000 (1985 – \$228,670,000).

3. Funds committed for specific purposes

(a) Current Operating Fund

The commitment of funds for specific purposes reflects the application of the Governing Council policy as follows:

(i) Carryforward of divisional appropriations –

In order to encourage the judicious timing and purposes of expenditures, the Governing Council has approved a policy of permitting divisions to carryforward unspent appropriations in one year for expenditure in the following year.

(ii) Purchase order commitments –

At each fiscal year end, there are a number of unfilled purchase orders, for which funds have been committed but for which the expense is not recorded until the goods or services are received in the following year.

(iii) Alteration and renovation projects in progress –

These funds represent the unspent appropriations in respect of such approved projects in progress at the end of the fiscal year.

(b) Ancillary Operations

The commitment of ancillary operations funds for specific purposes represents funds committed for the replacement of non-depreciable equipment, alterations and renovations.

(c) Capital Funds

Committed funds include monies held for the general building programme, supercomputer and specific projects for which government financing is not anticipated.

(d) Restricted Funds

Committed funds consist of grants and donations received for assisted research, student aid, and other restricted purposes but not yet expended.

4. Long-term debt

Long term debt consists of:

	1986	1985
Province of Ontario Debentures		\$130,055,000
Financing for Dentistry Renovations		10,878,000
Canada Mortgage and Housing Corporation	\$ 8,406,000	8,495,000
Financing for Residence Construction	2,969,000	
Demand Loans	1,400,000	4,156,000
	<u>\$12,775,000</u>	<u>\$153,584,000</u>

(a) In his October 1985 budget, the Treasurer of Ontario announced plans to wind up the Ontario Universities Capital Aid Corporation and forgive outstanding debenture principal.

At March 31, 1986, the outstanding debenture debt in the amount of \$125,046,983 was forgiven. Accordingly, debenture debt has been reduced and the equity in capital asset has been increased by that amount.

(b) In 1985 the University entered into a financing arrangement with a chartered bank in connection with the Dentistry renovation project; the outstanding balance is to be repaid in equal annual instalments over 7 years. The Ontario Ministry of Health had agreed to reimburse the University for the payments due under this agreement. However during the current year the Ministry provided the University with sufficient funds to further discharge this debt obligation.

(c) The mortgages payable to the Canada Mortgage and Housing Corporation for residence buildings are payable over remaining terms of 18 to 43 years. The average interest rate paid on these mortgages during the current fiscal year was 7.4%.

(d) In 1985 the University entered into a financing arrangement with a trust company in connection with the construction of residences at the Scarborough and Erindale campuses; the outstanding balance of \$2,969,000 is to be repaid in equal blended monthly instalments of \$30,220 maturing in August 1990. This financing replaced the demand loans outstanding at April 30, 1985.

(e) At April 30, 1986 a demand loan of \$1,400,000 was outstanding with a trust company with respect to the warehouse expansion at the University of Toronto Press and construction costs related to the bookstore facilities in the Koffler Student Services Centre. These loans carry interest approximating prime lending rates. It is the University's intention to formalize long-term borrowing arrangements with respect to these projects at an appropriate future date and prior to April 30, 1987; an undertaking had been received for the provision of such long-term financing when required. At April 30, 1986 however, such arrangements had not been formalized and the borrowings were on a demand loan basis.

5. Other commitments

(a) The estimated cost to complete capital projects in progress at April 30, 1986 which will be funded substantially by the government is approximately \$53,632,000 (1985 – \$62,351,000).

(b) The annual payments under various operating leases for which no liability has been recorded in these financial statements are approximately \$3,500,000 (1985 – \$2,800,000).

(c) Annual payments under various lease agreements entered into by the University on behalf of UTLAS amount to approximately \$1,279,000 reducing annually until expiry in 1988. Under the agreement covering the sale of UTLAS operations UTLAS will reimburse the University the full amount of these lease payments.

6. Contingencies

(a) The University has two programmes under which it guarantees bank loans to faculty and staff members to assist in the purchase or refinancing of their homes. The University holds mortgages as collateral security against such guarantees. At April 30, 1986, the amount of loans guaranteed was \$2,839,000 (1985 – \$3,180,000).

(b) The University's policy on mandatory retirement at age 65 and relevant provisions of the Ontario Human Rights Code have been challenged in the Supreme Court of Ontario as contravening the Canadian Charter of Rights and Freedoms.

No decision has as yet been rendered on this matter. If the decision is unfavourable to the University this case could set a precedent and the financial effect upon the University could be significant.

7. Deficit of discontinued ancillary

The deficit of discontinued ancillary as at April 30, 1985 of \$11,267,000 represents the accumulated deficit arising from the UTLAS operations which were sold in 1985. During the Year ended April 30, 1986 this deficit was reduced by –

(a) A fee of \$327,000 received from UTLAS. The fee is based on UTLAS' library automation revenue. The agreement providing for the payment of this annual fee by the purchaser of the UTLAS operations expires on January 25, 2000; and

(b) An amount of \$860,000, equal to the excess of the proportion of the market value of the University of Toronto pension plan assets attributable to UTLAS over the amount required to be transferred to the new UTLAS pension plan to fully fund the actuarial liabilities.

8. Pension plan

The most recent actuarial valuation of the pension plan at July 1, 1985 indicated a plan surplus of \$79,680,000 based on the actuarial valuation of assets of \$536,000,000 at that date.

Subsequent to the date of the valuation report \$2,441,000 was withdrawn from the pension plan as a result of the Royal Ontario Museum (ROM) and UTLAS establishing separate pension plans.

The adjustment relating to ROM amounted to \$1,581,000 and represented unfunded liability payments made by the University on their behalf together with interest thereon to the date of withdrawal, which by agreement was deducted from the value of assets transferred to the new ROM plan. This amount has been transferred to the University's General Endowment Fund effective April 30, 1986.

The adjustment relating to the withdrawal of UTLAS amounted to \$860,000 which has been offset against the deficit of the discontinued ancillary (Note 7).

The amount of current service pension costs charged to operations for 1986 amounted to \$17,889,107 (1985 – \$15,923,000).



Applications for admission up in Ontario universities

Demand for entry to U of T in the fall of 1986 continues "very strong, as is traditional," says William Kent, director of admissions.

Of more than 47,000 grade 13 students reported by the Council of Ontario Universities (COU) to be applying for admission to the province's universities, roughly half have indicated U of T as their first choice.

COU says the percentage of the province's grade 13 students seeking university entrance has risen from last year's 66.1 percent to a record 67.8 percent. The actual number of applicants is down slightly since the number of grade 13 graduates has declined from last year.

According to COU, the number of students in the province indicating liberal arts programs as their first choice has risen by 2.7 percent over last fall to 19,255. But the number of those choosing science programs first has fallen by seven percent to 7,853.

Kent says applications for admissions to arts and science at U of T are down very slightly, "a couple of hundred less than last year." The reduction can be explained in part, Kent says, by the fact that this year, for the first time, the University is admitting students from grade 13 directly to programs in physical therapy and occupational therapy. In previous years, students headed for those programs

applied to arts and science for their first year of university.

Competition for entrance to U of T professional faculties is stiffer than ever, Kent says. COU reports that applications for business administration programs in the province's universities rose from 6,136 to 6,287. But applications for engineering fell from 4,112 to 3,882.

Kent says U of T won't know until late July, when students have responded to acceptances, whether or not the total targeted enrolment of 40,477.1 full-time-equivalent (FTE) students (33,366 full-time and 29,589 part-time) is likely to be met.

Targeted enrolment for 1985-86 was 40,478.9 FTE students. Actual enrolment reached 39,925.



Spring Convocation '86

At ceremonies on June 6, Chancellor George Ignatieff conferred the degree of Doctor of Laws, *honoris causa*, on Ontario's Lieutenant-Governor Lincoln Alexander. President George Connell said Alexander "has made plain his awareness of the importance of the University to the province of Ontario and has taken a more than official interest in the institution and its people".

Below, a procession of Victoria College graduates and faculty make their way through Queen's Park to Convocation Hall for graduation ceremonies June 17. The procession through the park was part of Vic's sesquicentennial celebrations.



1986 United Way campaign

Tom Robinson, dean of the School of Graduate Studies, and Rivi Frankle, director of the Career Centre, will co-chair the 1986 University of Toronto United Way campaign.

Division heads and campaign coordinators will be joining Robinson and Frankle at a reception given by President and Mrs. Connell at the president's residence on June 26 to launch the campaign.

Last year the University contributed \$338,000 to the United Way. The president has announced to division heads that the goal for 1986 is to increase the contribution and participation by 10 percent.

PhD Orals

Tuesday, June 24
Rebecca Comay, Department of Philosophy, "Beyond Aufhebung: Reflections on the Bad Infinite." Prof. G.A. Nicholson.
Please note: rescheduled.

Friday, June 27
Brenda Lynn Coomber, Department of Anatomy, "Qualitative Ultrastructure of Endothelial Cells from Blood-Brain Barrier and Permeable Microvessels." Prof. P.A. Stewart.

Sonia Waldemira Hayward, Department of Education, "A Developmental Study of Jealousy - The Social Triangle and Its Effects on the Developing Child." Prof. R. Case.

Cheng-Ping Luo, Department of Metallurgy & Materials Science, "An Electron Microscope Study of Crystallography and Interfacial Structure of Precipitates in Nickel-45 Wt % Chromium Alloy." Prof. G.C. Weatherly.

Monday, June 30
Christopher John Bose, Department of Mathematics & Applied Mathematics, "Generalized Baker's Transformations." Prof. M.A. Akcoglu.

Grace Feuerverger, Department of Education, "A Social Psychological Study of Jewish Canadian Ethnic Identity and Non-Native Language Learning." Prof. W. Isajiw.

Alan Smart, Department of Anthropology, "The Political Economy of Squatter Clearance in Hong Kong." Prof. S. Nagata.

Tuesday, July 8
Richard Orren Gray, Department of Astronomy, "The A-Type Stars: Refined Classification and Confrontation with Strömgren Photometry; the Effects of Rotation." Prof. R. Garrison.

Thursday, July 10
Victor John B. Faculty of Management Studies, "Quality of Store Image Data: A Comparison of Research Data Collection Instruments." Prof. D.J. Tigert.

Philip Jonathan Vickers, Department of Biochemistry, "The Metabolism of Polyglutamates in Beef Liver." Prof. K.G. Srimgeur.

Tuesday, July 15
Kevin Michael Staley, Department of Philosophy, "Happiness: A Study of Man's Natural Perfection in the Philosophy of Thomas Aquinas." Prof. J.P. Reilly.

Wednesday, July 16
David Chong Wu, Department of Mechanical Engineering, "An Investigation of the Fatigue Crack Growth Behaviour of a Single Crystal Nickel-Base Superalloy." Prof. D. McCanmond.

Thursday, July 17
Timothy Brian Swartz, Department of Statistics, "Evaluating Multidimensional Integrals via Sampling from Gauss Rules." Prof. M.J. Evans.

Tuesday, July 22
Jeremy S.J. Williams, Department of Forestry, "Some Characteristics of Long-run Timber Supply and Economically Optimal Forest Management." Prof. J.C. Nautiyal.

Trust fund for women's centre

With the help of \$5,000 from an anonymous donor, the University has established a trust fund to help support the recently opened Women's Centre.

Coordinator Helen Fallding said members of the centre hope the fund will grow through individual and group donations. Faculty and staff can, if they wish, contribute money to the fund by means of regular payroll deductions.

Since its opening in January, donations of time and work have amounted to the equivalent of \$9,000, and members of the University community

have made more than 700 calls and visits to the centre.

The severe reduction of federal summer job grants for students has forced the centre, like many other organizations, to cancel hiring plans, but activities organized by volunteers will continue through August. The next scheduled event is a June workshop by anti-pornography activist Nikki Craft of the University of Wisconsin.

Fallding said the centre, 49 St. George St., will be open from noon to 2 p.m. and from 4 to 7 p.m. weekdays during the summer.

CARILLON recitals 1986 — SUNDAYS 7:30 to 8:30 p.m.

June 22 & 29, July 6 — **SYDNEY SHEP**
university carillonneur

July 13 — **OLSEN NAUEN TRANSPORTABLE CARILLON**, Tonsberg, Norway
SYDNEY SHEP, TIMOTHY HURD
national carillonneur of New Zealand

July 20 — **SUZANNE MAGASSY**
Canberra, Australia

July 27 — **SYDNEY SHEP**

University of Toronto — **SOLDIERS' TOWER**
978-2021 — **Hart House**

Joint funding for welding engineering professorship

Governing Council has approved the establishment of a professorship in welding engineering funded by the Natural Sciences & Engineering Research Council (NSERC), the Welding Institute of Canada (WIC) and the University.

Professor Tom North, an adjunct professor in the Department of Metallurgy & Materials Science since 1983, has been named to the professorship. North spent six years as a senior research associate with Stelco in Hamilton and eight at the University of Strathclyde in Scotland. He was named director of cooperative research at the WIC in Oakville in 1985.

The existence of the professorship will help the welding industry focus its research needs and communicate them to the University community, North said.

Department chairman Alfred Miller said the position represents an important University-industry link. The success of the master's program in welding engineering, taught by Professor George Weatherly, contributed to the establishment of the professorship, Miller said. Begun in 1979, the program is offered jointly by U of T and the University of Waterloo.

As part of the three-party agreement establishing the research post, the University will appoint North and

consider him for a tenure appointment before the first five-year term is completed. The University has guaranteed his salary in the second five-year term in the unlikely event the WIC is unable to continue to fund the position.

NSERC will provide \$405,000 over the next five years, the WIC \$350,000. The University will spend about \$30,000 to renovate a welding laboratory.

The NSERC contribution is made up of \$285,000 for salaries and infrastructure over five years and \$40,000 a year for operating grants for three years. When the three-year period ends, NSERC will review the program and decide whether to renew the

operating grant.

After five years the University, NSERC and the WIC will each decide whether the professorship should be continued for a further five years. Continuation will depend on the agreement of each party.

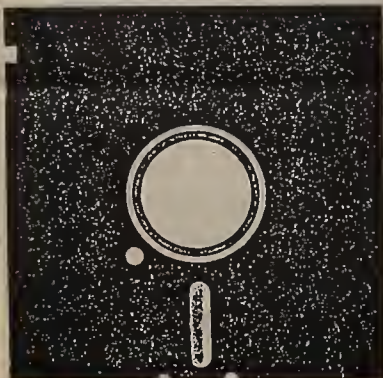
If a second five-year term is approved, NSERC's financial contribution will decline while the WIC's will increase. The NSERC contribution is part of the federal granting agency's program to establish industrial research chairs. There are now about 30 such positions in Canada.

Tulving elected to American Academy

University Professor Endel Tulving of the Department of Psychology was elected foreign honorary member of the American Academy of Arts & Sciences at its 206th annual meeting in Cambridge, Mass. in May.

Each year the academy's 2,000 fellows elect as foreign honorary members a small number of people from outside the United States whose contributions to knowledge are recognized throughout the world. In 1984-85, only 11 foreign members were Canadian, six of whom are current or former members of U of T. Professor Tulving now is one of only four psychologists who have been elected for this honour.

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Events

Lectures

The Armageddon Neurosis.
Wednesday, June 25
Dr. James Wilkes,
Centenary Hospital, Scarborough, 1069 Sidney Smith Hall, 8 p.m.
(Science for Peace, Canadian Physicians for the Prevention of Nuclear War and Lawyers for Social Responsibility)

The Background of the First Period of Mennonite Immigration to Canada.
Thursday, July 10
Prof. Richard MacMaster,
James Madison University, Harrisonburg, 104 University College, 7.30 p.m.
(History and The Mennonite Centre, Toronto)

Seminars

Structure-Function Studies on Recombinant Interferons.
Thursday, June 26
Dr. Eleanor Fish, Hospital for Sick Children Research Institute, 235 FitzGerald Building, 3 p.m.
Please note time.
(Microbiology)

Molecular Mechanisms of Insulin Action on the Heart.
Friday, July 4
Dr. Jürgen Eckel, Diabetes Research Institute, Disseldorf, Room 1527, Gerrard Wing, Hospital for Sick Children, 1.30 p.m.
(HSC Research Institute)

Exhibitions

Robarts Library.
To June 25
Eight Women Painters of Brazil. Main display area. (Embassy of Brazil, Ottawa, and Public & Community Relations)

To June 27
Rabindranath Tagore: On the Occasion of His 125th Birth Anniversary: books, documents and illustrations. South lobby display case. (Rabindranath Tagore Lectureship Foundation)

July 10 to August 15
Exhibition of books, documents and photographs on the occasion of the Canadian Mennonite Bicentennial. South lobby and lower floor display cases. (Mennonite Centre and Public & Community Relations)

Faculty of Architecture & Landscape Architecture.
To June 30

Projects of the graduating classes in architecture and landscape architecture.

July 1 to September 6
Spring 1986 work of students in Faculty of Architecture & Landscape Architecture.

Gallery, 230 College St.
Gallery hours: Monday-Friday, 9 a.m. to 5 p.m. to June 30; after to 4.30 p.m.

Justina M. Barnicke
Gallery, Hart House.
To July 10
East Gallery: Jim Reid, recent paintings.
West Gallery: Gene Chu, prints.

July 17 to August 16
Tapestry Canada, juried exhibition, sponsored by exhibitions committee of Convergence '86.
Gallery hours: Tuesday-Saturday, 11 a.m. to 6 p.m.; after July 1, 11 a.m. to 5.30 p.m.

Miscellany

Campus Walking Tours.
To August 29
Hour-long tours of the downtown campus conducted by student guides. Map Room, Hart House, 10.30 a.m., 12.30 and 2.30 p.m., Monday-Friday.
Information: 978-5000.

Carillon Recitals.
Sunday, June 29
Sunday, July 6
Sydney Shep, University carillonneur.
Sunday, July 13
Olsen Nauen Transportable Carillon. Sydney Shep, University carillonneur, and Timothy Hurd, national carillonneur of New Zealand.
Sunday, July 20
Suzanne Magassy, Canberra. Soldiers' Tower, 7.30 p.m.

Governing Council & Committees

Admissions, Curriculum & Standards Subcommittee.
Wednesday, June 25
Council Chamber, Simcoe Hall, 4 p.m.



Professor Ric Hall (centre, rear) and his Turing Team. Left to right, Nick Graham, Stephen Perelgut, Mark Mendell, Brian Hall and Bessie Moshpoulos, all Computer Systems Research Institute staff.

Turing goes to high schools

Turing, a general-purpose computer programming language developed at U of T, will be offered to Ontario high school students next spring.

The first major computer language developed in Canada, Turing has been taught to about 10,000 U of T students since 1983. The University now has a \$188,000 contract from the Ministry of Education to the Innovations Foundation to adapt the programming language to the ICON computer, which is used throughout Ontario high schools. It is already in use on PCs, Vaxes, SUNs and IBM

CMS systems and is being adapted for the Macintosh.

Last month the Department of Computer Science and the Computer Systems Research Institute sponsored a one-day seminar on the use of the language for teaching and research. Turing is used to teach computer literacy, introductory programming, engineering computation, systems programming, data structures and complex numerical calculation.



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UTCS N·E·W·S university of toronto computing services

USER INTERFACE GROUP IS MOVING

On July 2, 3, 4, 1986, part of the UTCS User Interface Group will be moving to the Koffler Centre. This includes:

- Central Advising
- Educational Facilities
- Humanities and Imaging Support Group
- Languages Support
- Marketing
- Micro Support Group and the Micro Lab
- Statistical and Numerical Analysis Computing Group

Our new location will be Room 308, on the third floor, just west of the Textbook Store Computer Shop. All phone numbers used to reach UTCS staff in these support groups will remain unchanged.

The UTCS Publications Group, Information Office and Library will remain in the Engineering Annex.

When the dust settles and the phones have been reconnected, drop by and visit our new home.

Communications and Computer Systems Consulting	978-4967
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Statistical Advising	978-STAT
Marketing	978-6875
Micro Support	978-8701

University education is real life

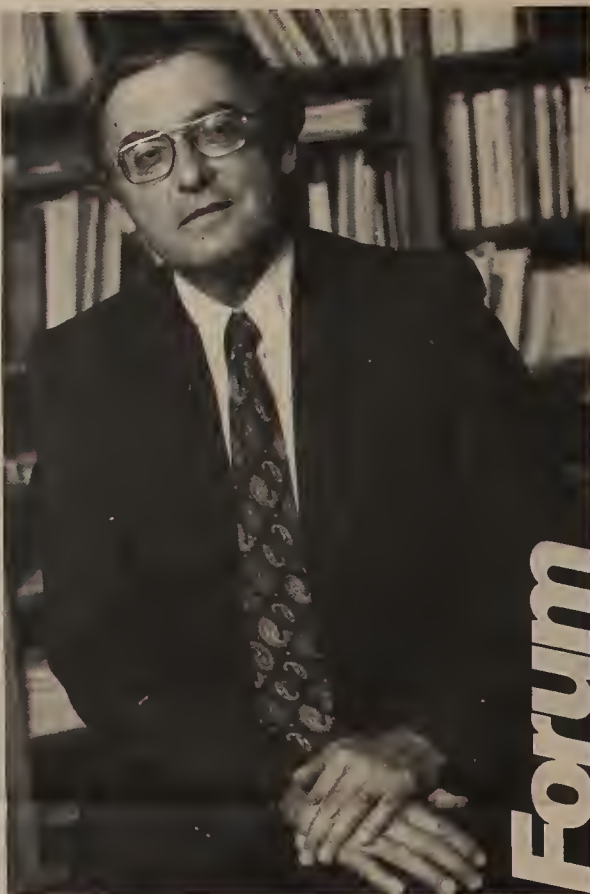
by Alvin Lee

The major direct impact of a university is of course on its own students, who become familiar while students with some part of organized human knowledge as it exists at the time of their formal studies. While at the University they encounter the methods and disciplines by which knowledge and understanding are advanced and they become educated in varying degrees in the practice of critical thinking. To the extent that such education succeeds, the graduate is equipped to make an informed and intelligent contribution in whatever subsequent employment or social or private context he or she moves into. I am not speaking here of universities preparing students for "the real world". On the contrary, it is what happens in universities that is the real world. University education is encounter with real life, with the real structure of society as this is revealed in the arts and sciences. The world that you and I encounter as citizens and taxpayers and readers of newspapers and viewers of television is not real life but a very temporary, constantly dissolving fantasy.

But it is not only those who study in universities who benefit from them. There is hardly an area of late 20th-century life that is not radically affected by what takes place in university laboratories, libraries and classrooms. The systems of health care, food production, education, justice, social services, manufacturing, public administration, and communications all depend fundamentally on the nature and quality of what happens in universities. The reason for this dependency is simple: the majority of the men and women who provide the leadership in these areas are university graduates and, as such, are equipped to provide the knowledge and expertise that are needed. Every member of a modern developed society, whether or not he or she has ever been on a university campus, depends in major ways on what happens there.

By looking at the current activity of people in universities and by observing which of those activities have been increasing steadily over a long time, we can discern three main trends. First, there will be a larger proportion and number of people of varying ages who will benefit in a direct way from universities by participating in their educational programs. Second, universities increasingly will be identified as places for the invention, development and assessment of technology. Third, and underlying this second trend, universities will be seen as centres of research into all aspects of physical nature, human nature, human history and how societies work. The wide-ranging inquiries of university people will result in increasing numbers of publications and also in the need for access to those publications.

In other words, universities in recent decades have become and will continue to be, growth industries. They will affect the quality of human life more and more, both directly, by educating more men and women, and indirectly, through the production, assessment and adaptation of technologies and the application of the findings of their research. It is possible, even probable, barring a major



global disaster, that much higher proportions of the human race will take time to develop their intellectual and imaginative capacities, as the necessity of engaging in routine and tedious physical and mental work is reduced by technological advances.

But it would be easy to be deceived by these trends, about the nature of the university and the essential driving force that exists beneath these trends. It is important to realize that that driving force arises from a fundamental distance that exists between universities and the societies that surround them. This is a distance that everyone, both outside the universities and within them, should seek to maintain because it is the essential basis of the universities' unique capacity to serve society. Yet it is this distance which gives rise on occasion to the tensions and misunderstandings that can weaken society's support of the university, and that can cause students to be mistaken about what it is they are in university to do.

Paradoxically, the force that has placed universities in a position in which they can provide knowledge, understanding and expertise has been their perception and understanding of themselves as institutions which do not exist to serve the surrounding society by the values that the society presents to the universities. The university is not there to reflect society, but to show the real form of society, the realities that lie behind the mirage of social trends and fashions. This means that universities, somewhat like religious institutions, need to take as full account as possible of the sur-

rounding society, but not accept uncritically the values and demands made by that society.

Several decades ago a group of ideas about education called "progressive" crossed the border from the US and were used to try to abolish this tension. The main thrust of these theories was that the school should become the agent of society and see its main educational task as one of adjusting as many young people as possible to fit into society as it is. The problem with such thinking is that society or the "real world", as many critics of academic institutions like to think of it, provides no real standards or values. Many of the ordinary conventions of our society stand for immaturity and mindless expenditures of energy. The social values that surround a teenager today are rooted in the entertainment industries and in the organized greed represented by advertising. The young person's erotic needs and other appetites are grotesquely exploited in dozens of ways.

Another problem with adjusting young people to society's needs is that society, what churchmen and philosophers have traditionally called "the world", is very fickle, an always changing object of affection that regularly betrays her lovers. Contemporary society changes very rapidly, in some ways, and is driven by forces that the socially adjusted cannot understand because they have been absorbed by them. In such a condition behaviour becomes determined by the stock reflexes of the socially con-

ditioned and the fixations of prejudice that one takes over from the group.

And so understanding of the world, when that is made the goal of education and the schools, changes into acceptance of the world. That acceptance, in turn, as wise men from at least as far back as Socrates have always known, increasingly becomes an acceptance of illusion and of submission to the appetites which blind us from any real wisdom or understanding. In our society illusion takes familiar forms: the status symbols of the good life from the world of advertising, slanted or totally fabricated news, the false information of political propaganda, the fixing of sports events. What began as an educational attempt to have young people understand the real world turns into a neurotic prison of consumerism, manipulation, hockey brawls (or, in Europe, soccer brawls), shattered love affairs, one-parent or no-parent families, bewilderment and widespread cynicism. I am not suggesting of course that all these ills of our society are caused by wrong-headed educational theories. What I am suggesting is that any real centre of learning, a university for example, needs more than adjustment theories of education with which to prepare people to live in such a society.

In all areas of the serious study of the arts and sciences, as Northrop Frye has emphasized, we encounter something beyond the human ego seeking to express itself. I like to call this renunciation, the surrender of the ego to the laws or principles of the discipline being studied. Students of science are proud of the impersonality of their subject, of its obligation to proceed on the basis of verifiable evidence and repeatable experiments. Poets, from ancient times until now, have spoken in the same way about poetry, about its givenness by the muses. The arts like the sciences have their laws and disciplines and must be taught as impersonally as the sciences if they are to be understood or experienced as ways of knowing.

We live in a world where political regimes and governments rise and fall with amazing rapidity and in which our own society, relatively very stable, is anything but secure. Religion and history teach us that ordinary society is very expendable. Without the sense of expanding possibilities that serious, disciplined, high level study of the arts and sciences brings, it is difficult to see how a democratic society like ours can survive and bring about the social changes necessary to its well-being, as well as provide assistance to other less favoured countries. The universities, including the one at which I am honoured to be the president, put great emphasis on the quest for knowledge and understanding, on the primacy of basic scholarship and research, on the superiority of mental discipline over the self-assertion of egotistic individualism. Because we do that for many men and women year after year our place in society is strategic and our influence, both actual and potential, on the world, is enormous.

Alvin Lee is president of McMaster University. The address from which this article was excerpted was given April 15 to the University Women's Club of Hamilton.

University's financial results are not misleading: auditor

The intent of this letter is to provide your readers with clarification of any misunderstanding created by the Faculty Association's letter published in the *Bulletin* on April 21, 1986 on the subject of the University's financial statements.

UTFA has alleged the following:

1. that the University treats the carry-forward of divisional appropriations and purchase orders as expenses and liabilities
2. that the University did not have a deficit in 1984-85 but actually had a surplus
3. that the University's financial statements are misleading.

My response is as follows:

1. The University of Toronto does not treat the carry-forward of divisional appropriations and purchase orders at fiscal year-end as expenses and liabilities. However, any change in the level of the carry-forwards is taken into account in arriving at the annual surplus/deficit figure. This is fully disclosed in the "Statement of Financial Position". Furthermore, the carry-

forward amounts are highlighted in the "Schedule of Funds Committed for Specific Purposes" to the financial statements and the treatment accorded such amounts is clearly spelled out in note 3 to the financial statements.

Carry-forward amounts represent certain unspent balances from the previously approved budget and these commitments are carried forward in accordance with Governing Council policy. I believe the carry-forward policy represents sound management practice and is an important management tool.

2. The University of Toronto did have an operating deficit in 1984-85. The increase in the deficit in 1984-85 of \$484,000 increased the cumulative deficit as at April 30, 1985 to \$1,520,000. Similarly, the increase in the deficit in 1985-86 of \$1,819,000 increased the cumulative deficit as at April 30, 1986 to \$3,339,000. Our financial statements present a complete picture of the financial position of the operating fund, *inter alia*.

Following is the letter from the external auditor, Clarkson Gordon.

You have requested our reaction to:

- (a) a quote in the March 10, 1986 issue of the *Bulletin* which states "The administration's strategy, says UTFA, has been to declare carry-forwards of divisional appropriations and purchase order commitments as expenses and liabilities"

- (b) a comment in page 5 of an UTFA Negotiations Report dated March 10, 1986 titled "Report on Salary and Benefit Negotiations" which states "The administration has claimed falsely that there was a \$483,000 deficit in 1984-1985."

Both statements are incorrect. It is not the policy of the University to treat carry-forwards of divisional appropriations and purchase order commitments as expenses and liabilities. The audited financial statements of the University of Toronto for the year ended April 30, 1985 did disclose a deficit of \$484,000 in the Current Operating Fund.

On June 4, 1985 we reported without qualification to the members of the Governing Council that the consolidated financial statements of the University of Toronto presented fairly "the financial position of the University as at April 30, 1985 and the results of its operations for the year then ended in accordance with accounting principles described in Note 1 to the combined financial statements . . ."

Note 1 to the financial statements sets out the significant accounting policies of the University. Note 1(d) states that the University follows the accrual method of accounting, with certain exceptions. Note 3 sets out the practices followed with respect to carry-forwards of divisional appropriations and purchase order commitments. The significance of the information in these two notes is that the University follows the practice of charging expenses against operations when the University actually receives goods or services and is legally obligated to pay for the goods or services. The University has consistently followed this practice for a number of years. The University does not treat carry-forwards of divisional appropriations and purchase order commitments as expenses (or liabilities).

As a matter of Governing Council policy University of Toronto divisions are permitted to carry-forward unspent appropriations from one year to another. In order to identify the commitment to the divisions that funds have been "earmarked", the University appropriates an amount equal to the commitments. The total amount of this commitment is shown in a schedule to the financial statements entitled "Schedule of



Funds Committed for Specific Purposes" and the net change during the year is included in a balance below the operating results for the year captioned "Increase (decrease) in funds committed for specific purposes". When an expenditure is made against the carry-forward balance, operations are charged with the expense and the carry-forward balance is reduced accordingly.

Funds earmarked to finance "purchase order commitments" are treated in exactly the same way as divisional carry-forwards. There is an earmarking of the future commitment in the form of an appropriation of the University's equity, which appropriation is included in the "Schedule of Funds Committed for Specific Purposes" and when the expenditure is made, operations are charged for the cost of the expenditure and the appropriation account is relieved.

Under accounting principles followed by Canadian universities it is normal to appropriate equity where funds have been "earmarked" for specific purposes. The deficit in the current operating fund of \$484,000 arises in the April 30, 1985 financial statements since the "earmarked" funds exceed the equity of the current operating fund.

The practices followed by the University with respect to encumbrances and appropriations conform to the recommendations contained in Sections 60.01 and 60.02 of *Guide to Accounting Principles, Practices and Standards of Disclosure for Universities and Colleges of Canada*, which was prepared under the direction of the Steering Committee on Accounting Principles, and Standards of Disclosure of the Canadian Association of University Business Officers.

We reviewed the practices followed by a sample of other Canadian universities with respect to their treatment of divisional appropriations and purchase order commitments. University of Toronto's practice conforms with the practices followed by the sample reviewed, although the format of disclosure tends to vary between the universities.

Schedule of Operating Fund Deficit
(thousands of dollars)

	1985-86	1984-85
Income	\$368,517	\$355,555
Expenditures	372,044	353,185
Operating results before commitments and transfers	(3,527)	2,370
Net decrease (increase) in committed funds	1,549	(3,676)
Transfers	159	822
Net increase in deficit for the year	(1,819)	(484)
Deficit, beginning of year	(1,520)	(1,036)
Deficit, end of year	\$(3,339)	\$(1,520)

UTFA has argued that the University did not have a deficit in 1984-85 of \$484,000 but, rather, had a surplus of \$2,370,000. While the figure of \$2,370,000 does represent the excess of income over actual expenditures in 1984-85, it does not take into account the carry-forward commitments. If one were to accept the UTFA argument in this regard, the deficit for 1985-86 would be \$3,527,000 rather than \$1,819,000. Of course, this would be wrong.

3. The University's financial statements are not misleading. Considerable time and effort is devoted to providing clear statements, notes, reports and explanations. The statements are extensively reviewed by the Audit and Finance Subcommittee and further reviewed by the Business Affairs Committee before going to Governing Council for approval. We consider the quality of disclosure in the statements to be second to none among universities. Members of my staff and myself have been, are and will continue to be, actively involved in the development of improved financial reporting among universities at both the provincial and national levels. A committee of the Canadian Association of University Business Officers is responsible for reviewing the *Guide to Accounting Principles, Practices and Standards of Disclosure for Universities and Colleges of Canada* (issued in 1984) with a view to further development,

expansion and refinement. I fully expect further improvements will continue to be made to our statements as time goes on.

In addition to the audited financial statements, we prepare a supplementary report for information, in considerable detail, which is distributed to members of the Governing Council and senior administrators throughout the University as well as to UTFA.

The University's financial statements are reflective of a large and complex institution and require careful reading in order to comprehend the University's financial situation. We invite your readers to review the University's statements, which appear in this issue.

I have reviewed the concerns raised by UTFA with the University's external auditor whose opinion is appended to this letter (see opposite). The auditor's assessment speaks for itself.

In summary, it would appear that UTFA's allegations are not well founded. Our financial statements are prepared in accordance with generally accepted accounting principles, practices and standards of disclosure for universities in Canada and in my opinion and in the opinion of our external auditor our statements present fairly the financial position of the University and the results of its operations.

R.G. White
Assistant Vice-President, Finance

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A cheque or money order payable to University of Toronto must accompany your ad.

Ads must be submitted in writing, 10 days before *Bulletin* publication date, to Marion de Courcy-Ireland, Department of Communications, 45 Wilcocks St., Toronto, Ontario M5S 1A1. Ads will not be accepted over the phone.

Accommodation Rentals Available - Metro

Executive, 4 Bedroom House - Furnished, 2-1/2 baths, modern kitchen, den, finished basement, air, near schools, tennis, golf, arena, shopping, subway, Yonge-York Mills area. Available July 1, 1986 - June 30, 1987, \$2,100/mo. (416) 225-9508.

Casa Loma 5-bedroom (or 4-bedroom and self-contained guest suite), 2-1/2 baths, 2-car garage, all appliances, patio. Quiet, residential neighbourhood, cul-de-sac. Excellent schools and all shopping minutes away. Available August 1, 1986 for minimum period of 8 months, maximum 12 months. \$2200 per month plus utilities. References. Non-smokers only. Family or couple. 534-6123.

Central, large, bright, 2 bedroom furnished duplex. Fireplace, deck, yard. Non-smokers. Mid-Aug. '86 to Sept. 1, '87. \$1,000/mo. 653-8792.

Furnished, renovated house for rent; 5 bedrooms, 3-1/2 bathrooms, finished rec. room, parking, good schools. Central location - St. Clair/Avenue Rd. Sept. '86 to June '87, \$2500/mo. (416) 485-2285.

For Rent: Arundel, near Broadview, north of Danforth; 6 minutes to Chester Station. Upper duplex on two floors, large kitchen, deck, livingroom, 4 piece bath, 3 bedrooms, laundry facilities. Quiet street, tree-lined. Lower apt. on main and finished basement has a new kitchen, new 4 piece bath, livingroom, one + + bedrooms, deck, laundry facilities. Enclosed front porch, garden, shared by tenants. Rent \$950. plus utilities each. Available July 1. Lease, references, first and last. July 487-1093.

July-August: 3 bedroom apartment, children welcome; main floor of low-rise, dishwasher, laundry, 2 car parking, quiet residential street (Merton near Mt. Pleasant - 7 min. to University). \$1100/month, weekdays 483-2267, weekends 1-705 445-2178.

St. Clair/Bathurst - 3-storey renovated duplex, used & to be rented as 1 unit. Large, furnished & equipped 2 bdrm. upper + partially furn. 1st floor office/bdrm/guest space. 2 fireplaces, decks & baths, treed yard. Close to parks, schools & TTC. Non-smokers. Mid. Aug. '86 to Sept. 1, '87. \$1,400/mo. + utils. 653-8792.

Detached brick 3+ bedroom house, 2 baths, rec. room, backyard, garage available. Steps to shopping, park and Christie subway. \$1200.00/mo. Available immediately - 534-9133, 534-5154.

Professional suite available for set up as medical, accounting, law and chiropractic clinic. Rent \$10/sq. ft. net lease. Beside subway. Call Peter Michailidis 463-1975.

House for the academic year. Balhurst-Wilson, detached house, large yard, 2 bedrooms, 1-1/2 baths, living, dining, central air & heat, cable TV, frost-free fridge. Quiet neighbourhood. Sept. to May \$800 a month + utilities, non-smoker. 636 6230.

Apt. for rent. Spacious self-contained one-bedroom apartment, on 3rd floor of house owned by professionals with young family. Shared entrance. Would suit single graduate student, visiting faculty, or professional. College-Dovercourt area, \$470/mo. Includes utilities and laundry facilities. Call Sara or Ian 531-0657.

Annex, 12 min. walk to U of T, century Victorian home, furnished, newly decorated, 3 or 4 br. (study), double drawing room, large dining, 5 appliances, garden. Avail. 1 Sept. for 12 months or less. \$1800.00 plus utilities 921-4668.

Furnished home (3 bedrooms + office), nice garden, for rent during research leave. September 1986-August 1987, flexible. Pleasant, quiet east end street, close to Pape subway, shopping, schools, park. Children welcome. \$1000/mo. Phone (416) 466-6165.

Yonge/Lawrence house for rent, available July/August for min. approx. 2 years. Minutes from Lawrence Subway in high demand area. Approx. \$1,500 per month, 3 bedrooms/2 full bathrooms. Professionally finished basement. Suit professional couple. References essential. Call Mavis Blyth at Remax Realty, 291-9988.

Family home, west Annex, centrally located in quiet neighbourhood close to subway & university - ideal for visiting faculty. 1-yr. or 11-mth. lease from Aug. 15-Sept. 15. Fully furnished and equipped, w/ky. maid service, 3 bedrooms, 2 den/sitting rms., lg. rm., dngm., eat-in kitchen, greenhouse, 2-1/2 bthrms., 2 fireplaces, 6+ appliances, piano, 3 private deck/verandahs, secluded garden. 2-car garage. \$1825/mth. 977-7973, ext. 105 or 532-1302.

Accommodation Rentals Required

Professional couple with one small child wish to rent house/apartment near the University or Orthopaedic & Arthritis hospital while taking further post-graduate training. Require for 1-2 years starting Jan. 1, 1987. Call collect (403) 481-1424 alt. or eve. or write Dr. C. Chnats #103, 6515-177 St. Edmonton, Alta. T5T 3T5.

On sabbatical at U of T. Require nicely furnished house or large apartment (2-4 bedrooms) near the University and a good public high school, from Aug.-Dec. 1986. Call 978-6702 (day).

Northern Ontario graduate couple with 1 child requires 2 bedroom apartment, furnished or unfurnished, close to University, from August 1st/86 to June/88. Excellent references, non-smokers. Call (807) 662-8551 (collect) or write: Tim Alderton, McKenzie Island, Ontario P0V 2B0.

Senior professional civil servant seeks modestly furnished 1 bedroom apartment with parking for September 1. Close to TTC, High Park, Beaches area or within similar distance of downtown area. 536-7358 after 6 p.m. weekdays.

Pediatrician taking up position Aug. 1st for one year requires 4 bedroom furnished house with appliances within 30 minutes of downtown campus via subway. Close to primary schools. Exchange with similar accommodation in Dublin a possibility. Phone Uxbridge 852-6004.

Accommodation Overseas

South of France. Restored farmhouse with splendid view. Mont Ventoux region. Avignon 45 km. 3 bedrooms, big fully equipped kitchen with fireplace, sitting room, dining room with fireplace. Garden & furniture, courtyard with fountain. All mod. conv. including electric heating, telephone, major appliances, linen, furnishings. Available Sept. 1. 4,500 FFrs per month (negotiable), utilities extra. Pictures/references available. Bettina Alder, Le Rieulroir, 84340 Malaucene, France Telephone (90) 652271.

Accommodation Out-of-town

Country retreat, Stratford/Goderich area, ideal for sabbatical or weekends, 1-yr. lease from Sept. 1. Charming, century-old house in quiet village, fully furnished and equipped, 3 bdrms., 1-1/2 bthrms., eat-in kitchen, lg. rm. with fireplace, parlour/den. \$550/mth. 977-7973, ext. 105 or 532-1302.

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